United Nations Conference on Trade and Development

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GENERAL

TD/B/SR.512
30 March 1979

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Tenth special session

SUMMARY RECORD OF THE 512th MEETING

held at the Palais des Nations, Geneva,
on Tuesday, 20 March 1979, at 3 p.m.

President: Mr. CASTELLANOS (Venezuela)

CONTENTS

Procedural matters:

(a) Announcement of any changes in the membership of the Board (continued)

Statement by the Secretary-General of UNCTAD

Other statements

Other business

This record is subject to correction.

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Corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.79-51613

The meeting was called to order at 3.40 p.m.

PROCEDURAL MATTERS (item 1 of the agenda):

(c) ANNOUNCEMENT OF ANY CHANGES IN THE MEMBERSHIP OF THE BOARD (continued)

1. The PRESIDENT informed the Board that Benin and Haiti had notified the Secretary-General of their wish to become members of the Board, in accordance with General Assembly resolution 1995 (XIX), as amended. In the absence of any objections, those countries would be declared members of the Board.

2. It was so agreed.

STATEMENT BY THE SECRETARY-GENERAL OF UNCTAD

3. Mr. COREA (Secretary-General of UNCTAD) announced with satisfaction that at its concluding meeting, the Negotiating Conference on the Common Fund had reached agreement on the fundamental elements determining the character and dimensions of the Fund. The final articles of agreement were likely to prove complex and demanding, but the foundations for the Fund were now laid, and that was a significant step forward in the dialogue between developed and developing countries. The Fund would represent an institutional innovation in the sensitive area of world trade in commodities.

4. The developing countries had played a pioneering role in the matter. They had set a new pattern of representation in decision-making and had committed considerable resources to the Fund. However, the common international endeavours also reflected changes of policy on the part of the developed market-economy countries in a positive response to improve commodity markets. The socialist countries of Eastern Europe had long been supporters of the concept of commodity agreements, but the Common Fund represented an innovation to which they also had responded constructively. China's consistent support for both the Common Fund and the Integrated Programme for Commodities had been reflected in the work of the Negotiating Conference.

5. Finally, considerable credit must be given to the individuals from all groups who had demonstrated a steady commitment to reaching agreement. The successful outcome would produce a positive atmosphere at the fifth session of the Conference (UNCTAD V), which presented unparalleled opportunities to create a climate of confidence in international economic co-operation and to guide the international community in the 1980s.

6. The proposed agenda for UNCTAD V was wide-ranging, with no single issue appearing to predominate. It covered virtually all the key issues in the dialogue between developed and developing countries and the themes of international co-operation essential to the establishment of a new international economic order. The proposed agenda items also dealt with current problems, particularly those of the developing countries, but not exclusively so.

7. It was significant that for the first time, an international conference was seeking to approach individual issues with an awareness of a wider strategy for structural change and a recognition that all countries could benefit from such change. For example, the thrust of the Integrated Programme for Commodities centred on the need for structural changes in markets, and while short-term action on the recent emergence of protectionism in international trade was concerned with how to contain if not reverse that trend, the longer-term solution appeared to be related to the global restructuring of trade and of production itself in the member States. The various monetary and financial issues all called for basic changes in institutional structures. Similarly, changes in existing patterns of world trade were highly relevant to the problem of diversifying the trade links of developing countries and to exploiting the vast potential offered by trade among countries having different economic and social systems. The most significant factor of all in effecting the structural changes in world economy needed for the establishment of a new international economic order was economic co-operation among developing countries and collective self-reliance and that theme was prominent on the provisional agenda for UNCTAD V.

8. Another important item related to technology, covering not only the code of conduct on the transfer of technology but also newer aspects such as the development of the technological capability of developing countries, which would likewise contribute to structural changes. Questions relating to shipping, not discussed at UNCTAD IV, appeared on the agenda for the fifth session, since there was need to improve the participation of developing countries in world shipping - an evolution which would also contribute to changing existing patterns.

9. Other items related to the least developed among developing countries and to land-locked and island developing countries. The economic performance of the least developed countries still lagged behind, and some had even experienced negative growth rates in per capita income. Such a state of affairs was not consonant with the professed commitment of the international community to attend to the pressing problems of such countries.

10. The theme of structural change was also the subject of the proposed agenda item 8, the discussion of which would set the tone of the UNCTAD V and give an earnest of its results. The item dealt specifically with two topics: the first - interrelationship of problems in the areas of trade, development, money and finance - had long been recognized by the international community, and the question before UNCTAD V was whether the present ways of dealing with it were satisfactory or whether machinery was not required through which the various elements could be brought together. The second topic - the need for evolution in the rules and principles governing international economic relations - had been formulated at the conclusion of the Second World War, before the developing countries and the socialist countries had emerged as significant partners in world trade. To some extent the problem had been recognized, but mainly by way of waivers and exceptions rather than by a recasting of the rules. The time was approaching to inquire whether the rules continued to be appropriate to contemporary needs.

11. There were new elements which might be taken into consideration, such as the new international economic order, the Charter of the Economic Rights and Duties of States, the Integrated Programme for Commodities, codes of conduct in various fields, and economic integration between industrialized countries and more recently between developing countries. However, their existence was not yet reflected in the acknowledged rules. It was not the task of UNCTAD V to tackle that problem, but discussion at the fifth session might prove helpful to the international community in considering what action should be taken to guide developments in the 1980s. There had been mention of a new international meeting on the lines of the Havana Conference at which the current system had been formulated.

12. The fifth session must also examine the relevance of UNCTAD's rules to the recent change from broad resolutions to concrete negotiations in the handling of international issues. Most issues associated with the establishment of a new international economic order came up for negotiation in UNCTAD and that made it necessary to reconsider such matters as UNCTAD's institutional framework, its place in the United Nations system, its style of operations, its resources and its internal structure, in order to determine whether it was an appropriate instrument with sufficient delivery capability.

13. Lastly, there was a strong expectation that UNCTAD would make a valuable contribution to the new international development strategy for the Third United Nations Development Decade. It would do that partly by decisions on individual agenda items, but the question remained whether further machinery was required to ensure a useful contribution.

14. The timing of the present session of the Board rejected the practice adopted before UNCTAD IV and provided a useful opportunity for member States to voice their preliminary views on agenda items. He hoped that their discussion would take into account the results of the Ministerial Meeting of the Group of 77 as embodied in the Arusha Programme, and the contributions of other groups. He also trusted that the Board would resolve the outstanding issues relating to the provisional agenda. UNCTAD V would be a high visibility conference for the international community, and every State member of UNCTAD had a stake in ensuring that its results were constructive. He was confident that they would respond to the challenge.

15. Mr. ROJAS-CORTAY (Cuba) proposed that the texts of the statement just made by the Secretary-General of UNCTAD and the statement by the President of the Board at the preceding meeting should be distributed as official documents so that they would be available for reference at the present session and at the fifth session of the Conference.

16. Mr. ABUSHADY (Secretary of the Board) said that the cost of producing the statements in the four working languages would amount to approximately $2,600 each, or a total of approximately $10,400.

17. Mr. LALOUX (Belgium) suggested that the statements might be recorded fully in the summary records and the distribution of the latter speeded up, so as to avoid the expense.

18. It was agreed that the texts of the statements by the Secretary-General of UNCTAD and the President of the Board at the preceding meeting should be distributed as documents of the Board.

. _____ (Thailand), speaking on behalf of the Group of 77, said that the

. Manila.

. Group B

. _____ (Pakistan), speaking on behalf of Group D, said that although the

30. The fifth session of the Conference would be an important occasion for discussing a new international economic order and for promoting the trade and economic development of developing countries. His country hoped that the Conference would continue to implement the guidelines set forth at the sixth and seventh special sessions of the General Assembly and take positive action to make progress on urgent major issues of world economy.

31. Transformation of the present unsatisfactory state of international economic relations would not only speed up the development of the national economies of the third world countries and bridge the economic gap between North and South; it would benefit the world economy as a whole. His country was convinced that by persistent effort and by strengthening their unity and co-operation the third world countries would achieve success.

OTHER BUSINESS

32. The PRESIDENT welcomed H.E. Mr. T. Quiazon, Minister of Trade of the Philippines, and H.E. Mr. M. Collanten, Deputy Minister for Foreign Affairs of the Philippines, who would be reporting later on preparations for UNCTAD V.

The meeting rose at 5.15 p.m.

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23 March 1979

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United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Tenth special session

CONCISE REPORT OF THE 513th MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 21 March 1979, at noon.

President: Mr. CASTILLERO (Venezuela)

CONTENTS

Consideration of proposals for action by the Conference at its fifth session

[illegible]

The meeting was called to order at 10.35 a.m.

CONSIDERATION OF PROPOSALS FOR ACTION BY THE CONFERENCE AT ITS FIFTH SESSION (agenda item 2) (continued) (TD/B/730, annexes II and III, TD/B/730/Add.1; ED/236)

1. Mr. HATTENLAUB (Federal Republic of Germany), speaking on behalf of Group B, said that the task of the Board, standing for the last time before the fifth session of the Conference (UNCTAD V), was to put the finishing touches on the provisional agenda for the Conference, to settle as many organizational questions as possible, and to deal with certain items referred to it by the subsidiary bodies. While negotiations were not possible in the Board itself, the current session would provide an opportunity to ascertain the present position of the regional groups.

2. Group B [illegible] with concern the fact that many of the preparatory documents for the Conference were still not available. For that reason it [illegible] was not in a position to make specific comments on the draft items. It [illegible] during the official part of the [illegible] Group B [illegible] Group of 77 (TD/236) concerning a [illegible] underlying concept of which Group B supported in principle.

3. [illegible]

4. [illegible]

5. [illegible]

The Conference would review the results achieved and consider the most appropriate way to continue the work. A discussion might be held, inter alia, on the implementation of measures provided for in Conference resolution 93 (IV) related to the economy of primary commodities and to development.

6. Group B was prepared to consider other appropriate commodity elements in the [illegible] trade and development but was somewhat hesitant to discuss food production and trade, as proposed by the Group of 77 for inclusion in agenda item 10, since it felt that specific and intensive talks were predominantly competent in that field.

7. With respect to monetary and financial issues (item 12), the Brusche Programme [illegible] Group B's position but was notably silent on the role of the International Bank for Reconstruction and Development and the International Monetary Fund. Group B would support the idea, in discussing the organization of the work of the Conference, [illegible] to give the proposals on export earnings stabilization set out in the Brusche Programme [illegible] Group B appreciated that those [illegible] would be dealt with in a [illegible].

8. The results from recent [illegible] a number of important proposals on the transfer [illegible] Group B had expressed its position on public opening in the Group B [illegible] the question of the whole their [illegible] substantially their official development assistance, [illegible] the flow of private [illegible] flows in the multilateral [illegible] Group B would [illegible], and it was clear that political [illegible] the distribution of such increased flows.

[illegible] Group B was ready to examine any measures which [illegible] On the question of debt [illegible] Board [illegible] it would be possible there to [illegible] operations.

[illegible] examine where the view [illegible] of trade negotiations for the economic [illegible] Group IV a number of [illegible] the technological [illegible] also been achieved in [illegible] of technology and in [illegible] Property Organization, [illegible] Group B countries looked forward [illegible] further progress in [illegible].

11. Item 14, Shipping, involved two questions. The first could be covered by a code of conduct for liner conferences and, before the date of UNCTAD V, steps might be taken which could bring the code into effect. Group B recognized the right of all countries to participate in international trade and was prepared to consider any institutional barriers in the way of participation by developing countries in international bulk trade, and to consider ways of improving the competitiveness of their fleets. Group B could, as in the past, consider favourably the granting of financial and technical assistance for the development of the merchant marines of developing countries in the framework of overall development plans and priorities, not by individual countries.

12. Group B had noted with interest the proposals contained in the Paris Programme concerning the least developed, land-locked countries (item 15). However, Group B had long held a firm conviction that the most effective relief for the problems of those countries would be provided by the application of the general development programme of an approach which treated the aspirations of the needs of developing countries. It had also been willing to consider measures to assist the island developing countries (item 16).

13. Group B appreciated the initiative envisaged by the Group of 77 in the field of relations among countries having different economic and social systems and welcomed the over-all assessment in the Programme.

14. Concerning economic co-operation among developing countries (item 17), Group B had only carried out a first reading of the proposals by the Group of 77. It was aware of the possible consequences of the proposals for other groups, they would have to be considered carefully by the Governments of the Group B countries. The latter had always supported the concept of such co-operation, but at first sight the proposed new activities which it was suggested should be undertaken at the regional level appeared likely to have far-reaching institutional implications.

15. Regarding institutional issues (item 18) Group B was fully in accord with the basic objective described in the Arusha Programme - the consideration of measures to enable UNCTAD to carry out its role more effectively.

16. Since the Conference might not have enough time to devote the same attention to all the items on its agenda, it might be useful to use priorities in order to achieve agreement in those areas which it was mutually felt offer a good chance of progress, to the benefit of the developing countries and the international community as a whole.

The meeting rose at 6.p.m.

TD

United Nations Conference on Trade and Development

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27 March 1979

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TRADE AND DEVELOPMENT BOARD

Tenth special session

SUMMARY RECORD OF THE 914th MEETING

held at the Palais des Nations, Geneva,
on Thursday, 22 March 1979, at noon

President: Mr. CASTELLANOS (Venezuela)

CONTENTS

Consideration of proposals for action by the Conference at its fifth session (agenda item 2) (continued)

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GE.79-51667

The meeting was called to order at ...

CONSIDERATION OF PROPOSALS FOR ACTION BY THE CONFERENCE AT ITS FIFTH SESSION (agenda item 7) (continued)

1. Mr. CRISOSTOMO (Philippines), noting favourable economic trends, said that he wished to give his delegation's views on the proposals and already some had been made and was still being made that the Conference and its secretariat should facilitate it. ... to assist in the ... of the ... in its system and contribute to the ... environment. ... of ... and ... of ... and ... of ... and

TD

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GENERAL

TD/B/SR.515
16 March 1979

United Nations Conference on Trade and Development

Original: ENGLISH

TRADE AID DEVELOPMENT BOARD

Tenth special session

SUMMARY RECORD OF THE 515th MEETING

held at the Palais des Nations, Geneva,
on Friday, 23 March 1979, at 3.00 p.m.

President: MR. CASTELLANOS (Venezuela)

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Reports of main Committees, intergovernmental and other groups

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GE.79-51772

TD

United Nations Conference on Trade and Development

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GE.79-51920

Technology (item 13 of the provisional agenda of the Conference)

26. The PRESIDENT drew attention to document TD/B/718 concerning the convening of certain meetings between the fifth and sixth sessions of the Conference to examine the main issues related to the transfer of technology. The Board might wish to take note of the document and transmit it to UNCTAD V for consideration under the appropriate item of its provisional agenda. It might also wish to request the Secretary-General of UNCTAD to make proposals on the subject of advisory services on technology to UNCTAD V.

27. It was so decided.

Institutional issues (item 10 of the provisional agenda of the Conference)

Rationalization of the structure of the permanent machinery of UNCTAD

28. The PRESIDENT drew attention to draft resolution TD/B/L.512 which the Board had decided to defer until the present session. He suggested that, in the light of further informal consultations that had been held, the draft resolution should be referred to UNCTAD V.

29. It was so decided.

General Assembly resolutions

30. The PRESIDENT said that the Board might wish to note the following General Assembly resolutions in the context of forthcoming negotiations at UNCTAD VI: 33/196, 197, 198, 198, 153, 154, 155, 159, 199.

31. It was so decided.

32. Mr. PRIETO-CASTRO (Philippines) expressed the hope that the third Ad Hoc Group of Experts on Restrictive Business Practices, whose sixth session was to be held from 19 to 23 April 1979, would resume its work, in which case the Conference could act on General Assembly resolution 33/153 instead of merely noting it.

OTHER BUSINESS (agenda)

(a) REVIEW OF THE CALENDAR OF MEETINGS (TD/B/L.525)

33. Mr. BRATHCUD (Director, Division for Programme Support Services) said that consultations held by the President had led to the conclusion that it would be preferable to hold the first part of the nineteenth session of the Board from 8 to 19 October 1979, thus enabling the Working Party on the Programme Budget and Medium-Term Plan to meet from 1 to 5 October without overlapping with the meeting of the Board. The first statement in footnote (a) of annex I to document TD/B/L.525 concerning the duration of the session would remain in the text to be approved by the Board.

34. Referring to paragraph 7 (c) of the Secretary-General's report, it should be recalled that the International Cocoa Council at its twelfth session, held in London on 15 and 16 March, had agreed that the proposed consultations between the Chairman of the United Nations Cocoa Conference and representatives of exporters and importers should be held in London during the week beginning 11 June 1979. Following these consultations, the Chairman would decide whether to request the Secretary-General of UNCTAD to reconvene the Conference. Should the Chairman so decide, the most appropriate dates would be in the period 16 July to 3 August 1979. Consequently, the Board might wish to pencil-in the dates, subject to confirmation after the June consultations. Some concern had been expressed that the proposed dates coincided with the meetings in July. If dates in July were chosen, the Secretary-General would consult delegations to see whether overlapping could be avoided.

35. Regarding the resumption of the United Nations Negotiating Conference on a Common Fund and the timing of the meetings of the Interim Committee established by the Conference to consider the elements requiring further elaboration, to draft the articles of agreement, and to make recommendations regarding the preparatory work required to bring the Fund into operation, the Secretary-General of UNCTAD suggested holding the first session of the Interim Committee from 20 to 31 August 1979. As the date has only been proposed that day, many delegations preferred to reserve their positions until they could consult their Governments. The secretariat therefore proposed that the date be pencilled-in as subject to confirmation.

36. The over-all calendar of meetings for the remainder of 1979 would be reviewed by UNCTAD V, and the Secretary-General suggested that the timing of other sessions of the Interim Committee and of a resumption of the Negotiating Conference itself be discussed at Manila. The calendar of meetings should also indicate that the balance remaining for other meetings under the Integrated Programme was 27 weeks. The Secretary-General of UNCTAD hoped to hold informal consultations with the co-ordinators at Manila on the question of the organization of the work of the Interim Committee.

37. With regard to the financial implications of the decision concerning the United Nations Cocoa Conference 1979, document TD/COCOA.5/C/Add.1 estimated the cost at $241,000. The financial implications of reconvening the Negotiating Conference on a Common Fund and the meeting of the Interim Committee were shown in document TD/IPC/CF/Conf.16/Add.4 as $1,560,000.

38. Four major negotiating conferences had already been held under UNCTAD auspices in 1979, and counting those in progress or requested, 15 such conferences would have been held in the next year as the fifth session of UNCTAD. A considerable number of other UNCTAD meetings were also scheduled for 1979 or had been requested by various bodies. The calendar represented 115 weeks of meetings, as against the record of 101 1/2 weeks in 1978, which had also been, not surprisingly, a record year in terms of lateness in the availability of documents.

39. For some time past, the secretariat felt that it had reached a critical level in its capacity to satisfy the obligations of a calendar unreasonably overloaded bearing in mind the services available to UNCTAD. As it had stated the previous year (TD/B/SR.504, para. 24), the secretariat could no longer ensure adequate preparation of the relevant documents for the proposed programme of meetings, which after all only took into account requests by intergovernmental bodies in UNCTAD or intergovernmental conferences under the auspices of UNCTAD.

The fact that four conferences had held resumed sessions during the first four months of 1979 adversely affected the preparation of documents for UNCTAD V. It was obvious that the secretariat had become quite unable to provide Governments with the necessary documentation for their meetings in good time, and the Secretary-General of UNCTAD would therefore take up at Manila the question of the resources required by UNCTAD in order to fulfil the role that Governments wished to assign to it.

40. Mr. BRILLANTES (Philippines) considered that Mr. Berthoud's warning should be taken very seriously. It was obvious that UNCTAD would have to expand its activities, but any decision in that respect could only be taken with the consent of the members of the Board and the members of UNCTAD. He wished to emphasize the responsibility of delegations, because any decision regarding expansion would require appropriate action in the General Assembly, and decisions taken in the Board frequently failed to be implemented owing to an excess of timidity in the Fifth Committee. The secretariat should make it clear that undertaking any new activity would require additional resources. In his experience, new activities by UNCTAD had frequently been frustrated because of a lack of co-ordination between delegations in UNCTAD and in the General Assembly.

41. The PRESIDENT suggested that the Board take note of the changes in the calendar of meetings for the remainder of 1979, as well as of the financial implications presented orally. Furthermore, the Board might wish to recommend that UNCTAD V should study the calendar of meetings with a view to adjusting it to the possibilities available for holding such meetings.

42. It was so decided.

The meeting rose at 7.25 p.m.

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United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Tenth special session

SUMMARY RECORD OF THE 517th MEETING

held at the Palais des Nations, Geneva,
on Tuesday, 27 March 1979, at 11.05 p.m.

President: Mr. CASTELLANOS (Venezuela)

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Procedural matters (continued)

Adoption of the report on credentials

Consideration of proposals for action by the Conference at its fifth session (continued)

Economic co-operation among developing countries

Other business (continued)

Reports of main Committees, intergovernmental and other groups

Consideration of proposals for action by the Conference at its fifth session (resumed)

Monetary and financial issues

Technology

Other business (resumed)

Review of the calendar of meetings (continued)

Consideration of proposals for action by the Conference at its fifth session (resumed)

Wording of item 17 of the provisional agenda of the Conference

Outline by the President of agreed conclusions relating to the organization of the work of the fifth session of the Conference

Statement by the representative of Viet Nam

Adoption of the Report of the Board

Closure of the session

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GE.79-51933

The meeting was called to order at 11.05 p.m.

PROCEDURAL MATTERS (agenda item 1) (continued)

(d) ADOPTION OF THE REPORT ON CREDENTIALS (TD/B/737)

1. The report of the Bureau on Credentials (TD/B/737) was adopted.

CONSIDERATION OF PROPOSALS FOR ACTION BY THE CONFERENCE AT ITS FIFTH SESSION (agenda item 2) (continued)

Economic co-operation among developing countries (item 7 of the provisional agenda of the Conference)

2. The PRESIDENT drew attention to operative paragraph 7 of General Assembly resolution 33/195 requesting the Secretary-General of UNCTAD to continue consultations with a view to submitting recommendations to the Board on organizing and convening meetings during 1979, as appropriate, of governmental experts of developing countries and representatives of intergovernmental economic co-operation groupings of developing countries in order to promote the objectives of sub-regional, regional and interregional economic co-operation among developing countries.

3. Mr. COREA (Secretary-General of UNCTAD) informed the Board that he had held consultations with the co-ordinators of the various groups and had learned that the latter were still actively considering the issues relevant to the problem. It had not been possible at the present stage to propose any particular solutions, and he was therefore not in a position to make specific recommendations to the Board at the present session. It seemed to be generally expected, however, that the subject would be taken up at UNCTAD V, and he hoped that a satisfactory solution would be found to what was a very important question.

4. The PRESIDENT suggested that the Board should note the oral report by the Secretary-General of UNCTAD.

5. It was so decided.

OTHER BUSINESS (agenda item 3) (continued)

(a) REPORTS OF MAIN COMMITTEES, INTERGOVERNMENTAL AND EXPERT BODIES

Report of the Ad Hoc Intergovernmental Group on Container Standards for International Multimodal Transport on its second session (TD/B/734-TD/B/AC.20/16)

6. The PRESIDENT suggested that the Board should note the report and transmit it to the Economic and Social Council.

7. It was so decided.

8. The PRESIDENT drew attention to a draft decision he had submitted (TD/B/L.528) pursuant to consultations with the co-ordinators of the different groups. He invited the Board to adopt the decision to remit to the Committee on Shipping the question of container standards for regular review and for examination of the question of drawing up a flexible international agreement.

9. It was so decided.

10. Mr. WISLEIN (United Kingdom), speaking also on behalf of the United States of America, said that both delegations had doubts as to the desirability, practicability or even appropriateness of such an instrument and would like the Committee on Shipping in considering the question to take note of their concern. Other governmental and non-governmental organizations, in particular the International Standards Organization, were active in the field of container standards, and any decisions on that subject by the Committee on Shipping or the Board should take careful note of the ongoing work of those organizations.

11. The PRESIDENT said that the statement would be noted.

CONSIDERATION OF PROPOSALS FOR ACTION BY THE CONFERENCE AT ITS FIFTH SESSION (agenda item 2) (resumed)

Monetary and financial issues (item 12 of the provisional agenda of the fifth session)

12. The PRESIDENT drew attention to paragraph 45 of the report of the Committee on Invisibles and Financing related to Trade on the second part of its eighth session (TD/B/C.3(VIII)/Misc. 6), in which the Committee took note of the report of the Group of Governmental Experts on the concepts of the present aid and flow targets on its third session (TD/B/646). Since the Committee had been unable to agree on the tasks to be performed by the Group of Experts at its fourth session, it had recommended that the Board examine the question at the present session. The Board might wish to discuss document TD/B/646 at its nineteenth session.

13. It was so decided.

14. The PRESIDENT drew attention to chapter I of the report of the Intergovernmental Group of Experts on Debt and Development Problems of Developing Countries (TD/B/730), concerning the elaboration of detailed features for future operations relating to debt problems of interested developing countries, and to the informal note by the Chairman contained in the annex to that document. He invited the Board to refer the report to UNCTAD V for consideration under the appropriate item of its agenda.

15. It was so decided.

16. Mr. BANKS (New Zealand) informed the Board that in accordance with Board resolution 165 (S-IX) her Government had decided to cancel outstanding loans that could be classed as Official Development Assistance. The nine loans in question had a nominal value of NZ $ 5.2 million and a current value of $NZ 3.4 million. That sum might appear modest, but they were loans, and her country's aid was always given in the form of grants.

17. The PRESIDENT suggested that the Board should note the information given by the New Zealand representative with great appreciation. It would be welcomed by the whole international community.

18. It was so decided.

Technology (item 13 of the provisional agenda of the fifth session)

19. The PRESIDENT invited the Board to take note of resolution 7 (II) of the Committee on Transfer of Technology at its second session and to endorse the recommendations contained in paragraphs 3, 4 and 5, bearing in mind General Assembly resolution 33/151.

20. It was so decided.

OTHER BUSINESS (agenda item 3) (resumed)

(c) REVIEW OF THE CALENDAR OF MEETINGS (continued) (TD/B/L.525)

21. Mr. BERTHOUD (Director, Division for Programme Support Services) informed the Board that because of difficulties experienced by a number of delegations, it was proposed to change the dates for the meeting of the Interim Committee established by the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities from 20 to 31 August 1979, the dates agreed at the previous meeting, to 3 to 14 September 1979. In the case of the Fourth Preparatory Meeting on Cotton and Cotton Yarns, where there was also the possibility of difficulties, it was proposed to retain the dates 9 to 13 July fixed by the Ad hoc Intergovernmental Committee at its eighth session but to add the following footnotes: "Date to be reviewed if necessary through consultations under Board resolution 140 (XVI)."

22. The PRESIDENT suggested that the Board should take note of the further changes in the calendar of meetings as approved at its 516th plenary meeting.

23. It was so decided.

CONSIDERATION OF PROPOSALS FOR ACTION BY THE CONFERENCE AT ITS FIFTH SESSION (agenda item 2) (resumed)

Wording of item 17 of the provisional agenda of the Conference

24. The PRESIDENT invited the Board to adopt the following wording, proposed as a result of consultations: "Trade relations among countries having different economic and social systems and all trade flows resulting therefrom. Appropriate bilateral and multilateral action to expand and diversify further the trade flows among these countries and, in particular, measures which would contribute to the development of developing countries."

25. It was so decided.

Outline by the Rapporteur of agreed conclusions relating to the organization of the work of the fifth session of the Conference

26. The PRESIDENT invited the Board to consider the conclusions which had been circulated in an unnumbered working paper. The conclusions included the constitution of a Bureau of 35 members and the regional distribution of those members; the establishment of eight negotiating groups and the regional distribution of their chairmen and vice-chairmen respectively, and the assignment of the items of the provisional agenda to the negotiating groups.

27. The Board approved the agreed conclusions.

Statement by the representative of Viet Nam

28. Mr. TRUONG QUANG PHUC (Viet Nam) said that the crisis in the world capitalist economies were having a disastrous effect on the economies of the developing countries, which were already suffering from balance of payments deficits, ever-increasing debts and restrictions imposed by the developed countries' protectionist policies. The transnational corporations were gaining an increasing hold on the developing countries, creating a serious obstacle to the struggle for economic independence, and were now trying to change the transfer of technology into a kind of trade in goods, so that the work on an international code of conduct on that subject was unlikely to achieve the results hoped for.

29. The Negotiating Conference on a Common Fund which had just ended had achieved some results, but as yet they were on paper only. It would be a long time before even the objectives of UNCTAD IV were fully achieved. The principle of collective self-reliance adopted at Arusha was a sound one. In recent years many developing countries had made great economic and social progress, mainly through their own efforts but also with the co-operation of other developing countries and by expanding co-operation with the developed countries as part of the general effort to establish a new international economic order.

30. A number of countries had concentrated their efforts and resources in key branches of the economy, agricultural and industrial, with a view to raising the material and cultural standards of their people. The fact that the planned economy countries were carrying out their economic and social development mainly in the nationalized sector and in training scientific and technical experts was a matter of constant interest to the developing countries.

31. After 30 years of war, the people of Viet Nam longed for peace so that they could concentrate on rebuilding their country and overcoming the effects of the war. They were doing everything possible to build an independent, sovereign economy and to provide a better life for their people. But now once again they were having to take up arms to defend themselves against aggression. As everyone was aware, the reactionary authorities of Peking were pursuing a policy of expansion and hegemony and ceaselessly provoking tension which impeded economic development in many Asian

countries. Now they had started actual aggression against his country with the aim of subjugating it, sabotaging peace and stability in South-East Asia and in the whole world, and endeavouring with the help of military might to destroy the whole economic fabric built up as a result of the economic and social development of the border provinces.

32. His country wished to make an urgent appeal to public opinion not to ignore the grave dangers to peace and development in the South-East Asia region and to reflect on what could happen elsewhere.

33. Mr. LI Chih-min (China), speaking in exercise of the right of reply, said that since the representative of Viet Nam had raised political issues and made a violent attack against China, his delegation was reluctantly compelled to rebut them. China, a developing socialist country with a still comparatively backward economy, required a peaceful international environment in order to build up the country rapidly. It did not want war or other people's territory; but it would not tolerate wanton incursions into Chinese territory such as the Vietnamese authorities, abetted by their master, continued to carry out in the border area, creating havoc and tension.

34. In the face of these attempts to undermine China's socialist construction and modernization, his Government had long exercised restraint and had given repeated warnings. But the Vietnamese authorities, confident in the backing of their master behind the scenes, had regarded forbearance as weakness, and his country had finally been compelled to take action. The defensive counter-attack against the Vietnamese aggressors had been an entirely justified act. China had long since declared its intention to withdraw all its troops from Viet Nam and had now done so. The forced act of self-defence had won sympathy and understanding from many justice-loving countries, and no amount of slander or distortion would be of any avail.

35. Mr. GANEV (Bulgaria), speaking on behalf of the socialist countries, said that the invasion of Viet Nam by Chinese troops was contrary to United Nations principles and a gross violation of international law which had demonstrated to the whole world the truth of Peking's policy of hegemony in South East Asia. Such action was a threat not only to the Vietnamese people but to the whole of mankind at variance with the interests of countries which had liberated themselves and undermining the foundations of international relations, including economic and trade relations. The attack on the Socialist Republic of Viet Nam had shown the true worth of the Chinese Government's declarations on protecting the interests of small and medium-sized countries whose champion China professed to be.

36. The heroic Vietnamese people had repulsed the Chinese aggression, with help from the socialist countries. The interests of world peace called for the immediate and unconditional withdrawal of Chinese troops from Vietnamese territory and renunciation by the Peking leaders of all encroachment on territorial integrity. He believed that the Chinese people, no less than any other people, needed peace, not war.

37. Mr. LLANES (Cuba) firmly supported the statement made by the representative of Viet Nam. It was common knowledge that Viet Nam was the victim of aggression by the reactionary Government of China, and he expressed his country's solidarity with the Vietnamese people and Government.

44. Mr. CLEAVE (Bermuda) expressed support of the rights of the Vietnamese people, who had fought to defend their country against American and other foreign aggression. The aggressive acts carried out by Peking threatened peace in the world and the development of economic and trade relations. The representative of China had stated that his country had withdrawn all its troops from Viet Nam, but the world press affirmed the contrary and in Geneva called for their immediate unconditional withdrawal. He wished to accept the country's solidarity with the Socialist Republic of Viet Nam and other socialist countries.

45. Mr. LI Chi-lin (China) considered that those countries which had expressed solidarity with Viet Nam's aggression were accomplices of the aggressors, and their statements were not worthy of refutation.

ADOPTION OF THE REPORT OF THE BOARD (agenda item 7)(TD/B/L.307/Add.1, 2, and 3)

46. Mr. NOSSAL (Iran), Rapporteur, introducing the draft report, said that its format followed closely that of reports of similar sessions of the Board held before the Delhi conference, while incorporating modifications to reflect the Board's discussions at its tenth special session. The report would be completed by an account of the final plenary session. He expressed his appreciation of the help given to him by delegations and by the secretariat.

47. [illegible].

48. The PRESIDENT expressed his gratitude on behalf of the Board to the members of the staff and to the co-ordinators of regional groups for their invaluable help.

49. Mr. GANEV (Bulgaria), speaking on behalf of Group D, noted with satisfaction that a majority of delegations appreciated the intensive efforts made by countries in Group D to bring about movement on the agenda and organizational matters relating to UNCTAD V. The delegations of the socialist countries would participate actively in the work of the fifth session in the interests of the restructuring of world economic relations, the elimination of all forms of economic discrimination and the strengthening of relations with developing countries.

50. Under item 4 of the provisional agenda for UNCTAD V, the countries in Group D would submit a document on the evaluation of trends in the development of world economy and trade, and he hoped that the secretariat would issue it as an official document before the opening of the Conference session. UNCTAD V should discuss trade flows between the socialist and developing countries, as well as between socialist and developed capitalist States, since they were inter-related.

51. On behalf of Group D, he thanked the President for his constructive guidance.

52. Mr. MATTHIAS (Federal Republic of Germany), speaking on behalf of Group B, said that the tenth special session had laid the groundwork for a successful Conference at Manila. The Board had worked in a spirit of co-operation, and agreement had been reached on organizational questions after difficult discussions. The successful outcome of the session was largely due to the President and the Secretary-General of UNCTAD, and also to Mr. Brillantes.

7. Mr. PHILIPPINES (Philippines), speaking as the representative of the host country for UNCTAD V, expressed the appreciation of the Government and people of the Philippines for the confidence shown in its Government in naming [illegible] country would provide all the facilities necessary to ensure the success of the outcome. The decision of the Board had already solved some organizational problems, and that did credit both to delegations and to the Secretariat. The Conference would be faced with overcoming [illegible] and he was confident that they [illegible].

8. Mr. CHAO Kang-po (China) thanked the President for the personal efforts which had enabled agreement to be reached on organizational questions. His Chinese delegation would do its utmost to ensure the success of UNCTAD V in every [illegible] believed that closer co-operation would help to solve the world's problems.

9. The PRESIDENT declared the [illegible] session of the Board closed.

The meeting rose at [illegible].

United Nations Conference on Trade and Development

TD/B/SR.518
12 October 1979

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This record is subject to correction.

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Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.79-54957

The meeting was called to order at 3.25 p.m.

OPENING OF THE SESSION

1. The PRESIDENT declared open the thirteenth session of the Board. He thanked all delegations, the officers of the Board and the secretariat for their co-operation during his period of office, when international negotiations had reached an extremely complex stage.

2. A number of important events which had taken place during the past year in the negotiations on the establishment of the new international economic order were closely related to the Board's tasks and responsibilities. Those events, however, results had failed to come up to expectations and there was continued dissatisfaction among the developing countries, and among some industrialized countries which had a particularly good understanding of the problems of the third world.

3. There had, in particular, been two gatherings of capital importance for the Board's future work: the first had been the fifth session of the Conference, held at Manila, where a particularly warm welcome had been extended by the Philippine Government and people. In its decisions and recommendations, the Conference had outlined a number of activities on which work must be done and which required all Governments to shoulder their responsibilities. Recently, the sixth Conference of Heads of State or Government of Non-aligned Countries had taken place in Havana, where the non-aligned and other developing countries had demonstrated the political will to strengthen their unity and their collective bargaining power with a view to bringing about a genuine restructuring of international economic relations.

4. The decisions adopted at those two Conferences already appeared to have produced results in relation to action to be taken in negotiations within UNCTAD and elsewhere. Attention should nevertheless be drawn to the scepticism evident in certain quarters: there was, of course, no question of being over-optimistic, and many developing countries had little reason for over-optimism. But the scepticism of other countries appeared to be indicative of a negative attitude rather than the cautious and serious-minded attitude necessary in the light of the decisions to be taken.

5. It should be pointed out that everyone recognized the seriousness of the crisis which the world economy was experiencing and which was not of a cyclical nature but stemmed from structural and fundamental imbalances. It was also quite clear that the institutional framework adopted during the 1940s no longer met international economic realities and that the new international community called for new structures.

6. Since the political, economic and technological configuration of the world of the 1980s would differ substantially from that of preceding decades, there was an urgent need to redefine the rules so that the world economy could again function in an efficient and balanced manner and become beneficial for all.

7. In that connexion, consideration should be given to the "global" concept which had frequently been mentioned in recent discussions. That concept, as applied to the proposed negotiations on international economic co-operation for development, clearly referred to their world-wide and democratic character, in other words, the participation of all countries on equal terms in order that international economic relations might become more just and more equitable, and action-oriented in well-defined fields, in accordance with an overall approach.

9. It was clear from that global consultations on structural changes had a universal and democratic character, but that special attention should be given, in that connexion, to policies relating to trade, development, and monetary and financial questions, in order to make them relevant and to ensure that their short-term instruments facilitated the long-term restructuring of the world economy with the genuine participation of the developing countries in the relevant decisions. The question of the "interdependence" - whether it was followed in certain quarters - of those problems had been on the Board's agenda since the third session of the Conference, but had not yet been defined in a sufficiently universal manner. However, the interdependence of the industrialized and developing countries was becoming increasingly evident, despite the dependent relationship which still prevailed between them.

10. It was clear that the developing countries could not make progress without the growth of the developed countries, but it was equally true that the latter countries' potential for continued growth depended, to a considerable extent, on the progress of the developing countries. Furthermore, the progress of the developed countries, by stimulating their demand for imports, was an essential condition for a significant reduction of the inflationary pressures which were one of the major obstacles to the development of the economy in the central countries.

11. There was therefore an urgent need to work with an open mind and with determination in order to devise mutually advantageous policies in a new international economic order, the establishment of which would not only benefit the developing countries, but would also inevitably promote the balanced growth of the developed countries.

12. Mr. ATTAR (India), speaking on behalf of the Group of 77, supported by Mr. [illegible] (Union of Soviet Socialist Republics), speaking on behalf of Group D, and by Mr. [illegible] (Italy), speaking on behalf of Group B, paid a tribute to the President's [illegible], wisdom and [illegible] and congratulated him on his outstanding leadership of the Board during the special period before the fifth session of the Conference.

AGENDA ITEM 4 (Item 4 of the provisional agenda)

(a) ELECTION OF OFFICERS

Election of the President

13. The PRESIDENT invited the Board, pursuant to rule 18 of the rules of procedure, to elect the President for the nineteenth session from among the representatives of the countries mentioned in list B in the annex to General Assembly resolution 1995 (XIX), in accordance with the rotation provided for in rule 19, paragraph 2, of the rules of procedure and the annex to those rules.

14. Mr. [illegible] (Italy), speaking on behalf of Group B, nominated Mr. Farmer (New Zealand) for the office of President.

15. Mr. ATTAR (India), speaking on behalf of the Group of 77, and Mr. [illegible] (Union of Soviet Socialist Republics), speaking on behalf of Group D, supported the nomination.

15. Mr. Farmer (New Zealand) was elected President by acclamation and took the Chair.

Election of the Rapporteur

16. The PRESIDENT reminded members that the Rapporteur must be elected from among the representatives of the African States.

17. Mr. KUMAR (India), speaking on behalf of the Group of 77, nominated Mr. Mokaddem (Tunisia) for the office of Rapporteur.

18. Mr. JAINI (Italy), speaking on behalf of Group B, and Mr. PANKIN (Union of Soviet Socialist Republics), speaking on behalf of Group D, supported the nomination.

19. Mr. Mokaddem (Tunisia) was elected Rapporteur by acclamation.

INTRODUCTORY STATEMENT BY THE SECRETARY-GENERAL OF UNCTAD

20. Mr. COREA (Secretary-General of UNCTAD) said that the nineteenth session of the Board was of unusual importance, for more than one reason. In the first place, it was the first meeting of the Board since the fifth session of the Conference; and secondly, it was taking place at a time when many vital issues were under active consideration, in the context of both the preparations for the new International Development Strategy and the proposal for a new round of global negotiations put forward by the Sixth Conference of Heads of State or Government of Non-Aligned Countries and subsequently by the Group of 77. Since he had already assessed the results of the fifth session of the Conference before the General Assembly, the Committee of the Whole and the Economic and Social Council, he would focus on the tasks facing UNCTAD.

21. Those tasks fell into three categories. It was necessary, firstly, to finish the work begun at Nairobi by concluding the negotiations launched at that session of the Conference; secondly, to carry out the new mandates given to UNCTAD at the fifth session of the Conference; and thirdly, to resume and complete the unfinished business arising out of Manila, where many issues had been referred to the Board.

22. The slow tempo of the post-Nairobi negotiations had often been criticized. It must be stated, however, that whilst the will of governments was crucial, the slow tempo was also due in part to the complexity and number of the issues involved. Nevertheless, given a resolution on the part of governments to make progress, it would seem that the most difficult work had been done and that the negotiations could be brought to a successful conclusion without too much delay.

23. First of all, the negotiations on the establishment of the Common Fund had to be finished. The Interim Committee had already achieved good results, but a further effort would be needed to establish a sound Common Fund, which would be a concrete manifestation of international co-operation for development.

24. Secondly, more rapid progress had to be made in the field of commodity agreements. The successful conclusion of the negotiations on rubber had set a good example. That was the first agreement embracing a new commodity to materialize since the inauguration of the Integrated Programme for Commodities. Given the disappointing results of the attempts made, over the years, to arrive at commodity agreements, the results of the Rubber Conference were particularly encouraging. While the success of the negotiations on the Common Fund would

undoubtedly facilitate such agreements, it was for governments to commit themselves to extend the range of commodities which could be the subject of agreements in the near future. Without such a commitment, progress in negotiating individual commodity agreements would be slow.

35. Work had also to be completed on the International Code of Conduct on the Transfer of Technology. Some of the basic issues had not yet been settled, and governments should address themselves to ways of reconciling their differences, perhaps before the convention of the negotiating conference.

36. Finally, it was important to bring to a successful conclusion the negotiations that had been authorized on rules and principles to govern restrictive business practices. Work had begun in preparation for the negotiation of a code on international multimodal transport. All the instruments and agreements currently being negotiated should be concluded as quickly as possible, since they would be beneficial to the entire international community. Progress in the negotiations would go far to strengthen confidence in UNCTAD as a negotiating forum, in the United Nations system itself and in the principle of international co-operation for development. It was important, therefore, for UNCTAD to give priority in its programme to accomplishing the work begun in that direction.

37. The second of the major tasks facing UNCTAD concerned the new mandates assigned to it by the Conference at its fifth session. The Conference had sought to extend the negotiating process launched at Nairobi, and the agenda for its fifth session had been planned with that end in view. While, admittedly, the fifth session had produced results that were both positive and negative, the positive results enabled new mandates for UNCTAD that fell into two categories. The first related to action involving negotiations or consultations within the intergovernmental mechanisms of UNCTAD, and the second related to innovative action programmes.

38. Intergovernmental action extended to three issues, namely, the structure of world commodity trade, protectionism, and monetary and financial questions.

39. In respect of the first issue, the Conference had adopted by consensus a resolution calling on UNCTAD to seek towards a framework of international co-operation pertaining to the processing, marketing and distribution of commodities. Thus far, UNCTAD had been mainly concerned with the stabilization of markets. The resolution invited it to turn to the structural aspects of the commodity economy. The marketing and distribution of commodities involved many fundamental issues, including the role of the transnational corporations. The processing of commodities also involved fundamental issues touching on access to markets and protectionism. By becoming involved in that area, UNCTAD would be breaking new ground and taking new initiatives. The secretariat, for its part, would pursue the studies necessary to make intergovernmental negotiation and consultation as fruitful as possible.

40. On the subject of commodities, reference should also be made to the resolution on compensatory financing, whereby the Conference had requested that a study should be undertaken of such financing within the framework of the Integrated Programme. The Development Committee of the World Bank and the International Monetary Fund (IMF) had just taken a decision which was of relevance

to the work of UNCTAD in that area. In the light of the steps already taken by IMF, it had decided to return to the problem of further extensions of compensatory financing at the end of a year and to consider it with due regard to the state of the negotiations in UNCTAD on the Common Fund and to the study to be undertaken by UNCTAD. IMF had been asked to extend its full technical co-operation in respect of that study and he was thus very pleased at that decision which gave a new importance to the UNCTAD study.

31. Protectionism would also form the subject of a negotiating process. The Conference had shown some reluctance to deal with specific proposals that had already been covered by the multilateral trade negotiations or were still in progress. Nevertheless, it had announced itself in favour of the more fundamental aspects of protectionism and structural adjustment, and had adopted, by consensus, a decision which asked UNCTAD to make a broader review of the problems and to formulate recommendations on the general question of protectionism. That resolution could be a very challenging mandate for UNCTAD and its intergovernmental bodies, as protectionism was intimately linked with many problems such as the evolution of the world trading system, given the industrialization of the developing countries, the continued development of the socialist countries, and the dynamics of change and adaptation in the developed market-economy countries. The question was whether the trading structures set up after the Second World War were adequate for the contemporary economy. It would have to be decided whether those structures should be retained or, possibly, what additional ones might be introduced to meet the changes that had occurred. It was particularly significant that the problems of protectionism and structural adjustment had been brought together by the Conference within the ambit of a single resolution, because they clearly had to be considered together in the search for viable solutions.

32. In the area of money and finance, the Conference had taken two important decisions, one accepted by consensus, relating to the transfer of real resources to developing countries, and the other, accepted by a vote, relating to the reform of the international monetary system. The latter called for the establishment of an intergovernmental group to deal with certain fundamental aspects of the reform, particularly in the context of the needs of trade and development. That would give Governments the opportunity to look at some of the major long-term issues relevant to the evolution of the international monetary system, rather than specific issues which were already under consideration in IMF. By looking at the long-term issues, UNCTAD would be able to make a constructive contribution to the discussion of various aspects of international monetary reform in the setting of its relationship to trade and development, as a sound trading system would hardly prove possible in the absence of a sound monetary system. It was in that spirit that Governments might approach the work of the intergovernmental group.

33. The action programmes or work programmes which made up the second part of the new mandate resulting from the fifth session of the Conference related to four questions: the least developed countries, technology, shipping, and economic co-operation between developing countries.

34. With respect to the least developed countries, the Conference had launched an imaginative programme which entailed the convening of a world conference. UNCTAD had been able to play a leading role in dealing with those problems and would have to maintain its momentum in that area and to translate into concrete action the many proposals and themes that had been put forward at Manila. This was also true of the decisions taken in respect of land-locked countries and island countries.

35. The Conference had adopted a resolution on technological transformation which assigned to UNCTAD a major work programme that it would have to implement with the utmost seriousness.

36. The Conference had taken decisions on shipping and in particular on the problem of bulk cargoes. UNCTAD now been requested to convene a group of experts on flags of convenience, which it hoped to do in the near future.

37. The Conference had also devoted attention to economic co-operation among developing countries, which had formed the subject of one of its major decisions. It had endorsed the need for UNCTAD to convene regional and interregional meetings of developing countries in order to give real content to the concept of economic co-operation among developing countries. UNCTAD fully intended to play the pivotal role that had been assigned to it and to afford the maximum encouragement to such co-operation, which had been emphasized at gatherings of developing countries.

38. The Board would also have to take up the issues on which no decisions had been reached at the fifth session of the Conference, and in particular: trade between countries with different economic and social systems, indebtedness, financial co-operation, trade in manufactures, and the multilateral trade negotiations. Discussions had not reached the same stage on all those issues. In some cases, such as indebtedness, a consensus did not appear to be far away. In others, much still remained to be done before concrete decisions could be reached. In particular, special emphasis needed to be given to the issue of trade between countries with different economic and social systems, which had already been the subject of decisions taken at the fourth session of the Conference and endorsed at the fifth session. If progress was to be made in that field, there was a need for understanding and a fresh, imaginative approach on all sides.

39. The most significant issues which the Conference had been unable to settle at its fifth session, and which were left to the Board to deal with, were those of interdependence and structural change. It had appeared, however, that a consensus was emerging on the operational part of a draft resolution requesting the UNCTAD secretariat to set up a mechanism of global consultations, assisted by a high-level group of experts, to deal with issues relating to interdependence and structural change. Unfortunately, it had not been possible to reach agreement on the preamble; he hoped that the Board would take a positive decision regarding the proposal to set up a continuing mechanism to deal with the global issues and authorize UNCTAD to prepare for that topic as a regular event in the calendar of meetings. That proposal did not conflict with, nor should it be confused with, the proposal for a new round of global negotiations on issues pertaining to development.

40. The global consultations envisaged in UNCTAD would involve the setting up of a regular procedure, not a negotiating activity intended to arrive at final conclusions, settling matters that had been the subject of discussion within the international community. The consultations would provide an opportunity to review the evolution of the international economic situation from the points of view of the various groups of countries concerned - the developing countries, the socialist countries and the developed market economy countries. Such a review, preceded by a thorough documentation of trends and by advice from

high-level technical experts, would fill a current need, since the Board's heavy agenda would not permit of the issue of interdependence, for example, being dealt with in any great depth. The results of the consultations in UNCTAD, the different views expressed and the studies that had been made, would serve as a valuable input to discussions in all fora, including the global negotiations that had been proposed.

41. UNCTAD had also a very important contribution to make to the preparatory work on the formulation of an international strategy for development in the third United Nations Development Decade. The Preparatory Committee on the International Strategy had requested the Trade and Development Board to make UNCTAD's contribution to the new strategy available to the Committee at its forthcoming session in early 1980. Without wishing to prejudge the form which the strategy would take, he believed that it would outline the goals which the international community would need to adopt and pursue over the third Decade and that it would extract from those goals what might be called a negotiating content, that would involve the setting up of machinery for future negotiations. The setting up of such machinery and the establishment of a schedule for future negotiations within the framework of the strategy would be of great relevance to UNCTAD itself.

42. It was his understanding that the proposals relating to global negotiations would be launched after the adoption of the strategy and would be seen as an approach to implementing the elements of the strategy. It was too early to say how the global negotiations would be structured, but it had been emphasized by the Group of 77 and the Non-Aligned Countries - a view that had been shared by all concerned - that those forthcoming global negotiations would not only not delay, but would rather facilitate current work and negotiations. UNCTAD should therefore prepare to make the decisive contribution expected of it to the new strategy and the future global negotiations, not only as a secretariat but also as an intergovernmental body.

43. The global negotiations were to be linked up with a number of issues including the problem of energy, a problem that itself had many facets, including those relating to the international monetary and financial system, in which UNCTAD's work could prove to be of value.

44. With respect to the role and efficacy of UNCTAD, the Conference had already adopted a resolution on that subject at its fourth session. Unfortunately, progress in improving UNCTAD as an organization, in restructuring its institutions and in rationalizing its work had not proved to be as rapid as had been hoped. The Conference had, at its fifth session, adopted a more far-reaching resolution, calling for the establishment of an ad hoc intergovernmental committee for rationalization of the machinery of UNCTAD. The UNCTAD secretariat in general, and he personally, attached great importance to the work of that committee and would lend it all support and assistance. It was accepted by all that UNCTAD had to be adapted to contribute in the period ahead to the resolution of the critical issues facing the international community in all areas within its competence, and if the restructuring was based on that premise, decisive progress could be made.

45. The nineteenth session of the Board had been convened against the background of an international economic crisis, affecting in particular the developing countries. There was no easy solution to the problems facing the international economy and it would be too optimistic to hope for a spontaneous upturn in the cycle of economic activity; those problems were of a fundamental character and

required basic solutions. The more widely that was understood, the more important and effective would be the work of UNCTAD in meeting the needs of the international community in the period ahead. Universal appreciation of the part to be played by UNCTAD would help the organization to discharge successfully the mandates and responsibilities entrusted to it at Manila. Hence the particular importance of the Board's current session.

PROCEDURAL MATTERS (item 3 of the provisional agenda)

(a) ADOPTION OF THE AGENDA AND ORGANIZATION OF THE WORK OF THE SESSION (TD/B/746 and Add.1 and 2)

46. The PRESIDENT suggested that the Board should delete item 12 of the provisional agenda (UNCTAD programme budget for the biennium 1990-1991: report of the Working Party) in the light of the decision to postpone the meeting of the Working Party and to deal with the question under "Other business" or when reviewing the calendar of meetings.

47. He also suggested that item 14 (UNCTAD medium-term plan 1992-1995: report of the Working Party) should be deleted since the General Assembly had recently decided that the Board should meet twice a year, the question would be included in the agenda for the Board's twentieth session.

48. It was so decided.

49. The provisional agenda, as amended, was adopted.

50. The PRESIDENT drew the attention of the Board to the secretariat's proposals concerning the organization of the work of the session and, in particular, the establishment of two sessional committees and a Contact Group of the President, and the allocation of agenda items to those bodies (TD/746/Add.2).

51. If there was no objection, he would take it that the Board endorsed the secretariat's suggestions concerning the organization of the work of the session.

52. It was so decided.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 11)

(a) TREATMENT OF NEW STATES MEMBERS OF UNCTAD FOR PURPOSES OF ELECTIONS

53. The PRESIDENT welcomed Saint Lucia as a member of UNCTAD.

54. In accordance with established practice, the Board might wish to decide, pending action by the Conference at its sixth session, to associate Saint Lucia with the States in list C in the annex to General Assembly resolution 1995 (XIX), as amended.

55. It was so decided.

(b) ANNOUNCEMENT OF ANY CHANGES IN THE MEMBERSHIP OF THE BOARD AND ELECTION TO MEMBERSHIP OF MAIN COMMITTEES

56. The PRESIDENT said that Burundi had informed the Secretary-General of UNCTAD that it wished to become a member of the Board. If there was no objection, he would take it that Burundi would become a member of the Board.

57. It was so decided.

58. The PRESIDENT reminded the Board that there was no need for States which were already members of the main Committees to confirm their wish to remain on those Committees. He suggested that any changes should be communicated in writing by 6 p.m. on Friday, 12 October 1979.

59. It was so decided.

The meeting rose at 6.20 p.m.

United Nations Conference on Trade and Development

GENERAL

TD/B/SR.519
12 October 1979

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Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural stages in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations and UNCTAD's necessary contributions to a New International Development Strategy for the Third United Nations Development Decade (agenda item 3)

Assessment of the progress made towards the establishment of the new international economic order (General Assembly resolution 32/196) (agenda item 4)

Contribution of UNCTAD to the preparation of the new international development strategy (General Assembly resolution 32/195) (agenda item 5)

Interdependence of problems of trade, development finance and the international monetary system (agenda item 6)

The meeting was called to order at 3.20 p.m.

INTRODUCTORY STATEMENT BY THE PRESIDENT

1. The PRESIDENT said that the present session of the Board was taking place at a time when the world economic outlook was black and the international community - developed and developing countries alike - faced pressing and dangerous problems, which had been analysed in the secretariat's study of the subject (TD/B/716). The many questions on the Board's agenda were directly relevant to that outlook and also reflected the work done in the fifth period of the Conference.

2. The Board had been given useful advice at the fifth session of the Conference in areas such as assistance for the least-developed and geographically disadvantaged countries, economic co-operation between developing countries, commodities, protectionism and the transfer of technology. The there was also much that had not been done and even that remained to be done if the North-South dialogue was to be given the necessary impetus. He believed that at the present session the Board would make a significant contribution towards bringing a new sense of purpose to the definition and formulation of realistic strategies for global economic management.

3. With respect to the evaluation of the world trade and economic situation and the facilitation of structural change - a question which had been at the heart of the discussions at the fifth session of the Conference, there were those, including the Secretary-General of UNCTAD, who believed that, even though agreement had not been possible at that time, it had not been as far off as might have appeared. Doubtless the Board would wish to give high priority at the present session to achieving a meeting of minds on appropriate measures to advance consideration of a subject of such central importance.

4. In addition, the Board must decide the way in which UNCTAD would make its contribution to the preparation of the New International Development Strategy. That was an urgent matter, since the strategy was to be adopted by the General Assembly in 1980 and UNCTAD's input would undoubtedly be of major importance. It might be more useful for the Board at the present session to concentrate attention on the institutional arrangements by means of which UNCTAD should fulfil that task.

5. With respect to the assessment of the progress made by UNCTAD within the area of its competence towards the establishment of the New International Economic Order, the Board must consider how it should go about preparing the reports that would be presented at the special session of the General Assembly in 1980. Once again, the Board might find it more fruitful to look more closely at the mechanisms that might be involved in carrying out the detailed preparation of UNCTAD's report on the new order.

6. Under item 5 of the agenda, the Board would, in particular, have to make provision for certain important meetings concerned with economic co-operation among developing countries. It must also organize, within an appropriate existing body, an annual review of the patterns of production and trade in the world economy.

3. The current session of the Board was taking place against a complex background of developments in other forums since the fifth session of the Conference, including the recent work of the Preparatory Committee for the New International Development Strategy, the ninth summit conference of the non-aligned movement and recent decisions by the General Assembly Committee of the Whole.

4. The Board's task would not be an easy one, but its terms of reference gave it the political authority to take the negotiable decisions in order to give the secretariat the necessary guidance to arrive at the programme of activities agreed upon at Manila and in dealing with the other major issues on its agenda.

PLENARY MEETING (agenda item 4) (continued)

(a) ELECTION OF OFFICERS (continued)

Election of Vice-Presidents

9. Mr. VERMA (India) nominated, for the Group of 77, Mr. Razafina (Madagascar), Mr. Martinez (Argentina), Mrs. Augusto (Trinidad and Tobago), Mr. Al-Attiyah (Qatar) and U Maw Aung (Burma) for the office of Vice-President.

10. Mr. PACZKOWSKI (Poland) nominated, for Group D, Mr. Bourges (Hungary) and Mr. Pankin (Union of Soviet Socialist Republics) for the office of Vice-President.

11. Mr. JANNI (Italy) nominated, for Group B, Mr. Cordero di Montezemolo (Italy), Mr. Gaynor (Ireland) and Mr. Hustad (Norway) for the office of Vice-President.

12. Mr. Al-Attiya (Qatar), Mrs. Augusto (Trinidad and Tobago), Mr. Cordero di Montezemolo (Italy), Mr. Gaynor (Ireland), U Maw Aung (Burma), Mr. Hustad (Norway), Mr. Martinez (Argentina), Mr. Verma (India), Mr. Pankin (Union of Soviet Socialist Republics) and Mr. Razafina (Madagascar) were elected Vice-Presidents by acclamation.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 11) (continued)

(b) REVIEW OF THE IMPLEMENTATION OF RESOLUTION 77(III) (TD/B/L.533/Add.1 and 2)

13. The PRESIDENT reminded members that when it had adjourned on 2 August 1979, the United Nations Cocoa Conference, 1979, had adopted a resolution (TD/COCOA.7/6) in which it asked the International Cocoa Council to request the Secretary-General of UNCTAD to fix a date for the reconvening of the Conference, if possible in September 1979 and, in any event, before the end of 1979. At its thirteenth session, the Council had adopted a decision in which it requested the Secretary-General of UNCTAD to reconvene the Conference for a period of two weeks from 19 to 30 November 1979. The Secretary-General of UNCTAD had accordingly made provision for that session in the draft calendar.

14. Mr. NICOLLE (Deputy Secretary of the Board), referring to the statement of the financial implications of a resumed two-week session of the United Nations Cocoa Conference contained in document TD/B/L.531/Add.2, said that the cost was estimated at $166,000.

15. The PRESIDENT said that, if there was no objection, he would take it that the Board, having heard the statement of financial implications made by the UNCTAD secretariat, approved the resumption of the United Nations Ocean Conference for a period of two weeks.

16. It was so decided.

EXPLANATORY STATEMENT BY THE SPOKESMAN FOR THE GROUP OF 77

17. Mr. ITTAH (Ghana), speaking on behalf of the Group of 77, said that in the short time which had elapsed since the fifth session of the Conference, there had been disruptions of the world economy which clearly demonstrated that the international economic system was suffering from structural maladjustments leading to increasing imbalances and instability operating to the detriment of the developing countries. The rates of inflation in many developed countries had increased significantly; the currencies of some of those countries had once again become highly unstable; the terms of trade for most developing countries were continuing to deteriorate; and the balance-of-payments deficits of many of those countries had reached staggering dimensions.

18. Many fundamental questions considered at the fifth session of the Conference had remained unresolved and progress achieved since then had been disappointing. Negotiations on commodities had not advanced, with one exception, and the multilateral trade negotiations had failed to provide a code on "safeguards". The exports of the developing countries continued to encounter restrictions or further barriers in many sectors.

19. The concern of the developing countries had recently been expressed by the Heads of State or Government of the non-aligned countries in a declaration on issues relevant to the work of UNCTAD, and by the Ministers for Foreign Affairs of developing countries members of the Group of 77 in the declaration made in New York in the last week of September 1975. The Group of 77 was very concerned about the negligible progress of the negotiations for the implementation of the Declaration and Programme of Action calling for the establishment of the New International Economic Order. The obstacles which impeded its establishment must be identified and it was to be hoped that the developed countries would display a greater political will in overcoming them.

20. The contribution of UNCTAD to the International Development Strategy had always been important. One of the major concerns of the international community and UNCTAD was to help create an international environment and establish a framework oriented towards the accelerated, self-sustaining development of the developing countries which could improve their standard of living and quality of life. Within the framework of viable, consistent and specific goals which would, inter alia, reduce the disparities in income between the developed and developing countries, the Strategy should define the role and agreed commitments of all countries with a view to the adoption and implementation of measures to achieve those goals within a given time. As the current economic situation stemmed from basic inadequacies in the system, the Strategy would

have to provide for, in addition to the quantitative targets, a process leading to the restructuring of the economic relationship between developed and developing countries in the entire range of trade and economic activities. It should incorporate the new programme for the least-developed countries and promote the control by the developing countries of their natural resources. Besides the policies designed to achieve a more equitable economic relationship between developing and developed countries, there must also be a new dimension based on the principle of the collective self-reliance of developing countries. The Strategy must also provide for recasting the "book of rules" and principles governing such economic relations and giving a greater voice to the developing countries in international institutions. The Group of 77 hoped that the Board would be able to agree on guidelines for intensive work in that area in order to be able to make an effective contribution to the Strategy.

21. Among the unfinished business which the Conference had referred to the Board, the Group of 77 attached great importance to agenda item 5. It was more than ever convinced of the need for concerted action in the areas of trade, development, money and finance in support of the development process of the developing countries, in order that the short-term policies should promote, and not obstruct or distort, the longer-term goals of the international economy and the establishment of a dynamic new set of rules for international economic relations. The Group of 77 therefore hoped that it would be possible, at the current session of the Board, to reach an agreement on regular consultations to be organized within UNCTAD for those purposes. It believed that consultations or negotiations in any one forum should not impede the progress of substantive negotiations elsewhere.

22. In its declaration at the fifth session of the Conference the Group of 77 had expressed concern about the conduct and inadequacies of the multilateral trade negotiations. That concern remained, in particular with regard to the failure of negotiations in the safeguards area due to the insistence of a few developed countries on seeking provisions which would allow unilateral discriminatory action. The Group hoped that, in the implementation of the results achieved so far, nothing would be done which would adversely affect the interests or rights of the developing countries.

23. There was another question which continued to be of concern to the Group of 77: the implementation of the resolution concerning the re-organization of the debt burden and the formulation of guidelines for future operations in that area. The need for action had increased because of the mounting debt burdens of several developing countries and the further worsening of the situation forecast for 1979 and 1980. In the overall context of monetary and financial problems, it would also be necessary to ascertain how to make the existing system of financial co-operation more effective.

24. The Group of 77 believed that it was possible to expand the exports of developing countries to the socialist countries and to increase co-operation between those two groups of countries. At its current session the Board should not merely make a review of the results achieved, but should take positive action.

25. He stressed the need to give effect to the decisions adopted at the fifth session of the Conference, especially those relating to protectionism and adjustment assistance, the implementation of the Integrated Programme for Commodities and supplementary measures (rapid establishment of the Common Fund and conclusion of commodity agreements), technology, the problems of the least-developed, island developing and land-locked countries, and economic co-operation among developing countries.

26. The agenda for the nineteenth session was heavy. The Group of 77 hoped that the Board would concentrate on basic issues and provide better guidance for its permanent bodies, in accordance with the recommendation made at the fifth session of the Conference, without spending too much time on questions which could be decided quickly or questions of a routine character.

27. Several conferences would shortly be held on problems which had been discussed for a long time: the transfer of technology, restrictive business practices, multimodal transport and the Common Fund. The Group of 77 hoped that at those conferences the developed countries would display the necessary political will to arrive at positive results which would represent a step towards the establishment of the New International Economic Order.

EVALUATION OF THE WORLD TRADE AND ECONOMIC SITUATION AND CONSIDERATION OF ISSUES, POLICIES AND APPROPRIATE MEASURES TO FACILITATE STRUCTURAL CHANGES IN THE INTERNATIONAL ECONOMY, TAKING INTO ACCOUNT THE INTERRELATIONSHIPS OF PROBLEMS IN THE AREAS OF TRADE, DEVELOPMENT, MONEY AND FINANCE WITH A VIEW TO ATTAINING THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AND BEARING IN MIND THE FURTHER EVOLUTION THAT MAY BE NEEDED IN THE RULES AND PRINCIPLES GOVERNING INTERNATIONAL ECONOMIC RELATIONS AND UNCTAD'S NECESSARY CONTRIBUTION TO A NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (agenda item 3) (TD/227 and Add.1, TD/225, TD/236, TD/249)

ASSESSMENT OF THE PROGRESS MADE TOWARDS THE ESTABLISHMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER (GENERAL ASSEMBLY RESOLUTION 33/193) (agenda item 4) (TD/B/757)

CONTRIBUTION OF UNCTAD TO THE PREPARATION OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY (GENERAL ASSEMBLY RESOLUTION 33/193) (agenda item 5) (TD/B/758)

28. Mr. MAIZELS (Director, Economic Policy Evaluation and Co-ordination Unit), introducing agenda items 4 and 5, said that it was appropriate to consider together the documents prepared by the secretariat under the two items (TD/B/757 and 758). Since the adoption of the General Assembly resolutions on the establishment of a New International Economic Order, interpretations of the concept of the new order had differed widely and it was necessary to clarify its meaning in order to be able to make a considered assessment of the progress achieved.

29. The UNCTAD secretariat had already submitted to the Board, at its eighth special session, a report (TD/B/642) in which it had identified the two main elements of the New International Economic Order, namely, the reform of the institutional framework governing international economic relations between developed and developing countries, and the strengthening of economic co-operation among developing countries.

30. The new report by the secretariat (TD/B/757) focused on those two elements. Chapter I explained the concept of the New International Economic Order, while Chapter II gave a purely descriptive report of the measures that had been taken in each of the main areas of concern to UNCTAD. In the area of commodities, considerable progress had been made in certain respects, notably, on the common fund and the rubber agreement, but much remained to be done, particularly with respect to commodity processing in the developing countries and the increased participation of those countries in distribution and marketing. The resolution adopted on the subject at the fifth session of the Conference should be a good starting-point for future work.

31. As to trade in general, progress on such questions as protectionism, assistance in structural adjustments and the restructuring of the international division of labour had been scanty. There again, the relevant resolution adopted at the fifth session of the Conference should provide a sound basis for work along it invited the Board and its subsidiary bodies to keep the problems presented by protectionism under regular review and to recommend solutions to them.

32. In matters of shipping, progress had been made towards the implementation of the Code of Conduct for Liner Conferences, and the relevant resolution adopted at the fifth session of the Conference was, in any case, an initial step towards arrangements designed to promote the participation of the developing countries in the transport of bulk cargoes generated by their own foreign trade.

33. The secretariat report also gave an account of the measures taken to intensify economic and trade relations among countries having different economic and social systems, and made a detailed analysis of the programme of negotiations on the international monetary and financial system, an area in which very little progress had been made towards the establishment of a comprehensive support system of compensatory financing to alleviate short-term balance-of-payments problems.

34. Negotiations on a code of conduct for the transfer of technology were well-advanced, and UNCTAD was taking part in the revision of the industrial property system now in progress in the World Intellectual Property Organization (WIPO). In addition, an important step had been taken to mitigate the severe effects of the brain drain.

35. As to the second basic element in the New International Economic Order, namely, the strengthening of economic co-operation among developing countries, the resolution adopted on the subject at the fifth session of the Conference established a very detailed and

extensive programme of work for UNCTAD. For the time being, work was still at a transitional phase, at which studies were being prepared in order to set the stage for intensive negotiations among the developing countries themselves aimed at the establishment of a comprehensive system of economic co-operation.

36. Chapter III of the report was devoted to obstacles to progress. The secretariat had not attempted to examine each case, but had tried to indicate the general problems encountered during the negotiations as a whole, while at the same time laying stress on two specific points. First, the developed countries appeared to feel that they would derive little benefit from reforming the structure of international economic relations, possibly because they regarded such a reform as a constraint upon their ability to cope with their present economic problems. If that was really so, a deeper study should be made of the possible role of such a reform in overcoming the present stagnation and malaise of the world market economy.

37. Secondly, the report pointed out in general terms that the General Assembly resolutions on the New International Economic Order did not give any specific indications as to the major policy measures implied by the new order or the way in which it should be established; neither an order of priority nor a time-frame had been set.

38. Those two elements were not, of course, the only reasons for the current difficulties or for the impasse which had been reached in the North-South dialogue, but they were important and should be given fuller consideration by the Board. The secretariat had made a first attempt to assist the Board in identifying the obstacles encountered in the establishment of the new order, and even if its only achievement was to stimulate reflection or to provide additional information, its report on the assessment of the progress made towards the establishment of the new order (TD/B/757) would have served its purpose.

39. Turning to agenda item 5, he said that the report by the secretariat on the contribution of UNCTAD to the preparation of the new Strategy (TD/B/758) was merely intended to raise some substantive and general problems. The first thing to be done was to agree on the conceptual framework of the new Strategy since that would ultimately determine the major policy components and the order of priority. The Strategy should be directed essentially towards designing a package of measures capable of modifying the institutional relations and machinery of the world economy. Their modification would not be possible without intensive negotiation on specific elements of the Strategy, which should provide for institutional changes aimed at promoting economic co-operation among developing countries on the basis of collective self-reliance.

40. In preparing its contribution to the work of the General Assembly and of the Preparatory Committee for the New International Development Strategy, the Board should consider questions of that kind in connexion with the objectives to be set for the Strategy and also with each of the major policy areas of concern to UNCTAD. It should define the elements of institutional and structural reform in each area, and the main measures necessary to support such reform. Chapters II and III of the report set out the main problems raised in each of these areas.

41. In general, the formulation and implementation of the new Strategy called for three comments. In the first place, the Strategy should set the order of priority for international negotiations on specific aspects of the reform of the machinery and relations of the world economy, preferably within an agreed time frame. Negotiations on the key issues of the North-South dialogue might then be established as one of the principal objectives of the new Strategy, without disregarding quantitative targets of the traditional type.

42. Secondly, there should be no repetition of the mistakes made in the previous Strategy, which had failed partly because Governments had not been required to make firm commitments or to accept clearly-defined lines of conduct, and because responsibility for the implementation of the Strategy had not been clearly assigned. Before formulating the new Strategy, therefore, it was necessary to consider the extent to which Governments would be prepared to make firm commitments for the future. Thirdly, another weakness of the previous Strategy had been the procedures for review and appraisal. The general policy recommendations had been vague, and so had the assignment of responsibilities for implementation, with the result that the meetings on review and appraisal had been unable to reach a useful consensus of ways of improving implementation of the Strategy. The new Strategy should therefore lay down, in unambiguous terms, specific recommendations that would clearly determine responsibilities for implementation.

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 6) (TD/B/756; TD/B/L.360)

43. The PRESIDENT reminded the Board that it had decided that the item should be maintained on the agenda for its regular sessions, and that, at its previous session, it had deferred consideration of a draft resolution submitted by the African Group (TD/B/L.360) until its nineteenth session.

44. Mr. ARGENTIS (Director, Money, Finance and Development Division) said that the world economic outlook was connected with the interdependence of trade, financial and monetary questions, which had already been taken up under agenda item 3 on the evaluation of the world trade and economic situation. He would therefore confine himself to making a few observations on the report by the secretariat on the world economic outlook, 1979-1980 (TD/B/756).

45. It was generally held that there was a recession and that it was liable to continue until 1980. That view was based on the results, issued in July, of the work of certain research institutes. Economists acknowledged that the outlook had become even gloomier since then, owing, among other things, to the forecasts for the United States, whose growth rate might well be close to zero. The report before the Board dealt more especially with the problems of the non-oil-exporting developing countries, which were expected to record an unprecedented deficit of over $50 million in 1980. The developing countries as a whole could withstand a deficit of that magnitude, but only at the cost of further increasing their indebtedness. In some of those countries, which had no access to capital markets, growth would slow down even further. The outlook for the least-developed countries was particularly black, and their problems were likely to become more acute as a result of the policy adopted by certain donor countries of cutting down their official development aid.

46. UNCTAD had been stating for years that short-term adjustment policies should be compatible with long-term development objectives and with the need for structural changes in the world economy. That view had recently been confirmed by the Managing Director of the International Monetary Fund at its Annual Meeting, when he had clearly brought out the need to link short-term and long-term policies on the subject if the world economy was to be reformed.

47. Mr. ISRAR (India), speaking on behalf of the Group of 77, proposed that the text of the introductory statement by the Secretary-General of UNCTAD should be issued as a document of the Board.

48. Mr. HECKLE (Deputy Secretary of the Board) said that the financial implications of the proposal, in accordance with General Assembly resolution 3538 (XXIX), were that the work would be approximately 700 pages in length, of the kind that issued in the original language, and about 2,000, at the rate of $250 per page, if it were issued in the four working languages of UNCTAD. It would be about 3,400, at the rate of $250 per page, if it were issued in the six official languages of UNCTAD. For reasons of economy, the Board might wish to have the work issued in the original language only.

49. The PRESIDENT asked the Board if it wished the text of the statement by the Secretary-General of UNCTAD to be issued in the six official languages.

50. It was so decided.

The meeting rose at 6.30 p.m.

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United Nations Conference on Trade and Development

TRADE AID DEVELOPMENT BOARD

Nineteenth session

SUMMARY RECORD OF THE 520th MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 30 October 1970, at 3 p.m.

President: Mr. FADDEN (New Zealand)

CONTENTS

Procedural matters (agenda item 1) (continued)

(a) Election of officers (continued)

Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations and UNCTAD's necessary contribution to a New International Development Strategy for the Third United Nations Development Decade (agenda item 3) (continued)

Assessment of the progress made towards the establishment of the new international economic order (General Assembly resolution 33/196) (agenda item 4) (continued)

Contribution of UNCTAD to the preparation of the new international development strategy (General Assembly resolution 33/193) (agenda item 5) (continued)

Interdependence of problems of trade, development finance and the international monetary system (agenda item 6) (continued)

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Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.70-54659

The meeting was called to order at 3.45 p.m.

PROCEDURAL MATTERS (agenda item 1) (continued)

(a) ELECTION OF OFFICERS (continued)

Election of Vice-Presidents

1. Mr. JANNI (Italy) said that Mr. Cordero di Montezemolo, head of his delegation, who had been elected Vice-President of the Board, would be unable to perform his duties owing to his commitments in other bodies. He would therefore propose that he himself should replace Mr. Cordero di Montezemolo as Vice-President.

2. It was so decided.

EVALUATION OF THE WORLD TRADE AND ECONOMIC SITUATION AND CONSIDERATION OF ISSUES, POLICIES AND APPROPRIATE MEASURES TO FACILITATE EFFECTIVE CONDUCT OF THE INTERNATIONAL ECONOMIC TRADE AND DEVELOPMENT FOR INTENSIFICATION OF PROGRESS IN THE AREAS OF TRADE, DEVELOPMENT, MONEY AND FINANCE WITH A VIEW TO ATTAINING THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AND TAKING IN HAND THE FURTHER EVOLUTION THAT MAY BE NEEDED IN THE LONG AND FLEXIBLE FRAMEWORK GOVERNING INTERNATIONAL ECONOMIC RELATIONS AND CHINA'S RELEVANT CONTRIBUTION TO A NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (agenda item 2) (continued)

ASSESSMENT OF THE PROGRESS MADE TOWARDS THE ESTABLISHMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER (GENERAL ASSEMBLY RESOLUTION 3201) (agenda item 4) (continued)

CONTRIBUTION OF UNCTAD TO THE FORMULATION OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY (GENERAL ASSEMBLY RESOLUTION 3202) (agenda item 5) (continued)

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 7) (continued)

3. Mr. Abel ZAMORANO (Chile) said that the old economic order based on monopolist and exploitative ties is steadily showing its obsolescence [illegible]. Under that order, concurrent crises in the capitalist economies had been great damage to the economies of the developing countries. The terms of trade of those countries were continuously deteriorating, their trade in manufactured goods was seriously affected by protectionism in the developed countries, their balance of international payments had shown a constant deficit and their debts were mounting rapidly. The developing countries were therefore seriously concerned and their demands for the thorough transformation of international economic relations were justified and reasonable. The great hopes they had placed in the fifth session of the Conference had been dashed. At the current session, the Board should adopt positive resolutions in order to create favourable conditions for the convening of the special session of the General Assembly in 1980.

4. His delegation regretted that very limited progress had been made in the implementation of the Declaration and Programme of Action on the establishment of a New International Economic Order, and that no impetus had been imparted in many international economic negotiations. Some economic powers still held vast decision-making power in

The meeting rose at 6.10 p.m.

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United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE FIRST MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 11 October 1979, at 3 p.m.

President: Mr. TALBOT (New Zealand)

CONTENTS

Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the roles and principles governing international economic relations and UNCTAD's necessary contribution to a New International Development Strategy for the Third United Nations Development Decade (continued);

Assessment of the progress made towards the establishment of the new international economic order (General Assembly resolution 33/193) (continued);

Contribution of UNCTAD to the preparation of the new international development strategy (General Assembly resolution 33/193) (continued); and

Interdependence of problems of trade, development finance and the international monetary system (continued).

Other particular matters in the field of trade and development:

(a) Trade and economic aspects of disarmament.

Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations.

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The meeting was called to order at 3.45 p.m.

EVALUATION OF THE WORLD TRADE AND ECONOMIC SITUATION AND CONSIDERATION OF ISSUES, POLICIES AND APPROPRIATE MEASURES TO FACILITATE STRUCTURAL CHANGES IN THE INTERNATIONAL ECONOMY, TAKING INTO ACCOUNT THE INTERRELATIONSHIPS OF PROBLEMS IN THE AREAS OF TRADE, DEVELOPMENT, MONEY AND FINANCE, WITH A VIEW TO ATTAINING THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AND BEARING IN MIND THE FURTHER EVOLUTION THAT MAY BE NEEDED IN THE RULES AND PRINCIPLES GOVERNING INTERNATIONAL ECONOMIC RELATIONS AND UNCTAD'S NECESSARY CONTRIBUTION TO A NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (agenda item 3) (continued) (TD/324 and Corr.1 and Add.1, TD/335, TD/336, TD/340);

ASSESSMENT OF THE PROGRESS MADE TOWARDS THE ESTABLISHMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER (GENERAL ASSEMBLY RESOLUTION 3362(S-VII)) (agenda item 4) (continued) (TD/B/757);

CONTRIBUTION OF UNCTAD TO THE PREPARATION OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY (GENERAL ASSEMBLY RESOLUTION 3362(S-VII)) (agenda item 5) (continued) (TD/329); and

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT, FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 6) (continued) (TD/B/729 and TD/B/AC.24/CRP.1)

1. Mr. JANNI (Italy), speaking on behalf of Group B, said that, in the Group's view, the most important subjects for discussion in the plenary meeting were interrelationships (item 3 of the Board's agenda, which took up item 3 of the agenda for the fifth session of the Conference and UNCTAD's contribution to the International Development Strategy (agenda item 5).

2. The Group B countries had listened with attention to the observations of the Secretary-General of UNCTAD concerning the follow-up to the discussions on item 3 of the Conference agenda. The Group had taken an active part in the discussions at the fifth session of the Conference and had put forward proposals which it considered constructive. It was prepared to pursue the discussion in a spirit of co-operation. The inability to reach agreement on the question was often seen as one of the main reasons why the Conference had not been an overall success, but it should not be forgotten that substantial progress had been achieved in other fields. The lack of agreement on the question of interrelationships could be explained in a number of ways, one of which was that it had not been possible to arrive at a common view of the origins, trends and prospects of the global economic situation. At the present session, therefore, the Board should not attempt any economic analysis but should concentrate on its immediate business: how to react to the proposal of the Secretary-General of UNCTAD for the establishment of a consultative mechanism on interrelationships.

3. Group B saw value in having global consultations in the Board on trade and related issues of international economic co-operation, taking into account the interrelationship of problems in the areas of trade, development, money and finance, provided such consultations did not duplicate the global negotiations being discussed at the General Assembly. It was perfectly normal for the Board to make its own review of world economic trends to enable it to identify what action it should be taking.

4. Group B was prepared to discuss in a favourable way the mandate of an intergovernmental group of experts to help the Board to prepare for its discussions. There were, of course, other issues to discuss in relation to the creation of such a group - its composition, duration and so forth - but Group B hoped that agreement could be reached at the present session on convening such a group, and it looked forward to more specific proposals from the Group of 77.

5. With regard to UNCTAD's contribution to the international development strategy, he wished to make it clear at the present stage that many Group B countries had considerable difficulty with the ideas contained in the report by the secretariat (TD/B/759); they were, however, prepared to discuss the best way in which UNCTAD could, within its mandate, make its essential contribution to the preparation of the next strategy.

6. Mr. JARAMILLO (Colombia) said that, when his delegation had made a statement at the fifth session of the Conference concerning the factors that had led to a worsening of the trade situation of the poorer developing countries, it had hoped to secure a favourable response from those countries that, because of their own efforts and their natural resources, had reached a standard of living which developing countries could never hope to attain so long as their legitimate claims were not recognized. However, no solution was in view and the future was still just as bleak. It was his intention not to put the blame for the world economic crisis on any country or group of countries, but to recall the reasons for the crisis and to appeal yet again to the spirit of human solidarity, which appeared to move in inverse ratio to wealth.

7. His delegation still maintained its analysis of the causes of the world economic crisis. The major western industrialized countries were solely concerned with problems of fluctuations in their currencies, the rate of exchange, unemployment, safeguarding their sources of supply, inflation and the possibility of making other countries bear the burden of adjustment. His delegation understood their concern, as well as that of oil-producing countries, but it considered that adjustment should not take place at the expense of the countries with weaker economies. Adjustment had had serious consequences for the developing countries: a serious deterioration in the terms of trade (according to estimates by the UNCTAD secretariat: $30 billion between 1974 and 1975), deficits in the balance of external payments leading to reduced development programmes or borrowing on private capital markets, increased indebtedness (present estimated total debt of developing countries: $300 billion in 1978, and the burden of debt servicing (often more than 25 per cent of export earnings). Future prospects were unknown, especially for non-oil-producing developing countries which faced a threefold problem: continued increases in both the price of oil and the cost of manufactures exported by developed countries.

8. There was a limit to what could be borne and the developing countries were near to breaking point. The developed countries' indifference to the need to restructure international economic relations was in flagrant contradiction to the basic principles of the new international economic order. His delegation hoped that the Board would be able to find a way to meet the legitimate aspirations of the developing countries and, in particular, to lighten the heavy burden on the non-oil-producing countries.

9. Mr. YAN (Malaysia) said that his delegation was in general agreement with the findings of the secretariat's report (TD/B/757), namely, that progress towards the establishment of the new international economic order had been very limited, and that there had been no progress at all in restructuring of the international division of labour. At the same time, developed countries had continued to depart from the principle of the stand-still and were imposing more and more restrictions on imports from the developing countries. During the multilateral trade negotiations, attempts had been made to introduce some discipline, in particular, with regard to negotiating a safeguards code, but the secretariat had not clearly explained (para. 21) why no agreement had yet been reached. One reason might be that developing countries were unable to accept new rules aimed at selective application of safeguard restrictions, but the basic reason was the refusal of those developed countries that had proposed such an application to make any commitment to accept international discipline or surveillance in that area. For the developing countries, the multilateral trade negotiations had thus lost one of their key elements.

10. In the light of the many obstacles - voluntary export restraints, orderly market arrangements, trigger price mechanisms, etc. - imposed by the developed countries on imports of goods - textiles, footwear, leather goods and wood products - from the developing countries, the concept of free trade appeared to be obsolete. Political rather than economic considerations were shaping the international pattern of production. Developed countries argued that they had to maintain a satisfactory level of domestic production but it was the developing countries that had to pay the price. The case of textiles was a classic example of the protection granted by developed countries to an industry facing commercial and technological competition and it demonstrated the need to restructure industrial production in the developed countries in response to the industrialization process in developing countries and in the context of the new international economic order.

11. Developed countries had so far taken very few industrial adjustment measures and some had used poor growth prospects as an excuse, but they should be aware of the potential for growth that existed in the world when developing countries constituted three-quarters of world population and represented a large market for their manufactures.

12. Assistance to structural adjustment should thus be one of the first priorities of the Third Development Decade. It should not be used to subsidize inefficient producers in the developed countries, but a global strategy should be evolved with the developing countries aimed at establishing a more equitable world trade structure. In addition, there was an urgent need to educate the general public in the developed countries and make it understand that, in an inter-dependent world, structural changes were necessary.

13. Mr. TRUCCO (Chile) said that scarcely any progress had been made in the negotiations relating to the establishment of a new international economic order. His delegation considered that UNCTAD was still the most appropriate organ to deal with the many and complex problems of the North-South dialogue. The reasons why the results of the fifth session of the Conference had been so disappointing must be carefully analysed and efforts must be really directed towards the basic objectives by making better use of the already existing permanent bodies of UNCTAD.

14. Recent setbacks had clearly been due, among other causes, to reasons of a political nature which had already been fully discussed but it was time to review the negotiating machinery used so far. There must be a negotiating machinery which made it possible to embark on sessions of the Conference with several possible formulae for agreement which required only the stamp of political will to be implemented.

15. It was also necessary to implement properly resolution 114 (V) on institutional issues, particularly the idea of reducing the number of meetings of experts with its wider implication of limiting the number of issues submitted for negotiation, for it was obvious that the heavier the agenda, the greater the likelihood of divergent views. Hence, all members of UNCTAD and the secretariat should help to keep negotiations in their rightful framework. The experience of the fifth session of the Conference and of the previous sessions showed that it was impossible to achieve true agreement without adequate and timely technical preparation of the issues to be examined. Furthermore, global negotiations and consultations should proceed on a broad front without interruption and the spokesmen of the various regional groups must be given wide-ranging and flexible mandates to enable them to make progress, even if only at the unofficial level.

16. His delegation was particularly interested in three issues. The first was economic co-operation among developing countries. That was a task in which rapid action was required. His delegation had announced at the Conference the establishment of a special fund for co-operation, which had already made it possible to take initiatives in that field, and also the setting up of a system of preferences favouring the least developed among the developing countries. Those two measures had given results - an account of which would be given in due course - which were significant for appropriate international co-ordination.

17. The second problem exercising his delegation was the serious consequences of protectionism. The pressing problems of the current economic order could be solved only by active international co-operation, but many developed countries were still erecting barriers to the trade of the developing countries, jeopardizing the possibility of co-operation and at the same time endangering the system of international trade which they had themselves established over 30 years previously and on which they had built their prosperity. In fact, having urged the developing countries to open their economies to international trade, they were impeding the efforts of the latter in that direction. Consequently, developing countries were unable to benefit from their comparative advantage or implement their development plans. Industrial restructuring was thus essential to ensure orderly and progressive economic adjustment. On that subject, much had been done by the United Nations Industrial Development Organization (UNIDO), with which the necessary co-operation must be maintained. It was also necessary to promote collective action so that the issues which had not been settled by the multilateral trade negotiations remained under negotiation.

18. Finally there was the energy problem which, in his delegation's view, could not be dissociated from development problems. A multilateral analysis was required, owing to the particular difficulties of non-oil-producing developing countries which had not only to face increased oil prices but were also often obliged to buy on the spot market. The problem should not lead to a confrontation but to joint action satisfactory to producers and consumers alike. Developing countries must also be given an assurance of permanent supplies. In that connexion, he recalled the regional action taken by the Latin American countries through the Latin American Energy Organization (OLADE) which was an excellent example of the potentialities of horizontal co-operation in the energy field.

19. Mr. MARCANI URDANETA (Venezuela) said that some progress had been made in UNCTAD towards the establishment of a new international economic order, especially in the negotiations on the Common Fund and the conclusion of the International agreement on natural rubber. Progress had still to be made, however, in other negotiations, particularly on the transfer of technology and restrictive business practices. As far as they were concerned, the developing countries had the will to negotiate and also to co-operate among themselves. It was for the developed countries to take corresponding action and not to place in the path of the developing countries obstacles created by a short-sighted policy which hampered the structural transformation that the world economy needed. UNCTAD should promote an atmosphere favourable to negotiations. The developing countries wished to be given genuine and fair opportunities based on the healthy relationship which should exist among sovereign States.

20. On the occasion of the tenth anniversary of the Cartagena Agreement, the President of Venezuela had stressed that the economic policy of the developed countries was hampering the harmonious and concerted development of the developing countries. Venezuela, as an oil-exporting country, faithful to the principles of international social justice, was devoting to co-operation with the third world a proportion of its national product five times as large as that devoted by the developed countries and it was prepared to continue to assist the developing countries financially through multilateral agreements.

21. Furthermore, the Minister of Foreign Affairs of Venezuela had just made a statement to the General Assembly in which, referring to energy, he had rejected the baseless accusations made against the Organization of Petroleum-Exporting Countries (OPEC) and noted that the industrialized countries were beginning to apply themselves to reducing unbridled consumption and thus influencing demand. His country welcomed that development which was the starting point for the application of effective policies to reduce the length of the transition to the utilization of new, renewable and non-polluting sources of energy. The Venezuelan Government, aware of the difficulties of many non-oil-producing developing countries was prepared to assure their supply by helping them to bear the financial burden arising from increased oil prices. But it must be recognized that the difficulties of such countries stemmed mainly from structural imbalances in the world economy. Given the limited bargaining power of individual developing countries, it was necessary for them to form a united front in their relations with the industrialized countries so as to achieve a fair share of the world economy. His delegation had

often expressed its support for the organization within the framework of the United Nations of a new series of international economic negotiations to involve the energy issue. Such a new dialogue could overcome obstacles provided that the industrialized countries showed sufficient political will.

26. Mrs. WUNSCH (India) said that the current session of the Board was of particular importance in that it was being held between the fifth session of the Conference and the seventh Special Session of the General Assembly. She hoped that the Board would help to consider in depth the question for further global consultations, within the framework of UNCTAD, on the new international economic order.

27. Her delegation wished to put forward some ideas concerning the international development strategy for the Third United Nations Development Decade. The previous Strategy had set quantitative goals and time-limits for achieving them; at the same time, it had laid down the obligations and commitments required to that end and had provided for a review and appraisal mechanism. The same approach should be adopted in the new strategy, but provision should also be made for a process leading to the restructuring of the external relationships between the developed and the developing countries in the entire range of trade and economic activities, and to collective self-reliance of the developing countries. The accelerated growth of developing countries must remain at the core of the new strategy and it should therefore set targets higher than the previous ones. However, it should be solely a declaration of intent or a mere list of principles. It should incorporate specific agreed general policy measures, thereby reducing areas for negotiations and bargaining. It be prepared and adopted within a given time frame and under the auspices of the United Nations system. The specific commitments should be supported by a real political will in every case. The goals and objectives of the strategy should be shared by all but, in order to achieve them, the different groups of countries would have to adopt different policy measures.

28. In view of the low standard of living of the developing countries, there was a need for intensive international effort to double the per capita income of the present developing countries by the year 2000. The developed countries should increase at least by 1 per cent of their GNP for assistance to the developing countries, in particular the least developed among them. Concessional finance would need to be increased and converted to achieve access for developing countries to private financial markets. Furthermore, there was an urgent need to reform the international monetary system. In the industrialization field, the targets of a 25 per cent share of the world production and a 30 per cent share of world trade in manufactures for the developing countries should guide the formulation of industrialization policies.

29. The new strategy should emphasize the importance of economic and technical operation among developing countries, on the basis of collective self-reliance, with the support of the international community, particularly for the least developed countries.

26. The rules that had governed international relations needed to be recast to provide for special measures in favour of the developing countries, without discrimination among them, and to ensure that they had a say in the management of the international economic system. The Special Session of the General Assembly in 1980 would provide the best opportunity of taking decisions on any issues which might not be settled by the Preparatory Committee for the New International Development Strategy.

27. The global negotiations on international economic co-operation which it was proposed to launch after the Special Session of the General Assembly should not delay or interrupt negotiations in other bodies of the United Nations. They should make a significant contribution to the implementation of the new strategy and should not duplicate the negotiations involving the formulation of that strategy. Her delegation hoped that the negotiations being carried out in UNCTAD would be continued with vigour and at a sustained rate.

28. Mr. ELIASHIV (Israel) said that the international development strategy for the 1970s had been a failure. As a developing country, Israel hoped that the new decade would see significant progress in socio-economic development. While remaining a vital forum for discussion, UNCTAD should also be an instigator of new concepts in the fields of trade and development, money and finance, the transfer and development of technology, and economic co-operation among the developing countries. His country had always endeavoured to make a contribution of ideas in the field of development financing, particularly with regard to the export credit guarantee facility, the proposed co-financing facility and economic co-operation among developing countries. His delegation would continue to promote the proposals which it had had an opportunity to present and to develop on the matter at previous meetings.

29. Mr. PANKIN (Union of Soviet Socialist Republics) said that his Government's position on the state of the international economy had been set out in detail in a document submitted jointly by the delegations of the socialist countries at the fifth session of the Conference (TD/313). The forecasts set before the Board had confirmed that the major trends described by the socialist countries in that document continued to determine the course of world economic events. The results obtained by the two major economic and social systems showed that whereas the socialist system was a generator of growth not only for itself but also to some extent for the entire world, capitalism, because of its very nature, continued to give rise only to crises. Through rational co-operation in the Council for Mutual Economic Assistance and the re-structuring of their national economies, the socialist countries of eastern Europe had been able over the past 30 years to achieve steady economic growth, living standards of their working masses and to avoid the disturbances caused in the world economy by the capitalist system. The capitalist countries were increasingly using their internal economic difficulties to justify policies that undermined normal economic relations through such measures as "neo-protectionism". Socialist countries were able to resist such efforts, but they fully sympathized with the legitimate demands of the developing countries, which refused to make up the losses caused by crises and inflation in Western countries.

30. One of the main obstacles preventing progress towards the establishment of the new international economic order was the policies of international monopolies. At the fifth session of the Conference, his delegation had stressed the harmful effects of the activities of transnational corporations on the economies of the developing countries. Those corporations were creating their own "new economic order" within

the capitalist system and posed a threat to the independence even of developed countries. Any attempt to bring about a democratic restructuring of world economic relations must therefore be aimed at countering the policies of transnational corporations. His delegation hoped that a detailed study would be made of the activities of those corporations and was prepared to support any measure designed to control them. The restructuring of international economic relations would, however, be decided not so much in the United Nations as in the developing countries themselves, through their efforts to exercise their sovereignty over their natural resources, to control foreign capital effectively, to carry out progressive economic and social changes and to mobilize their internal resources. His Government had always helped those countries to solve such major problems and would inform Sessional Committee II of the action it was taking in those areas. In UNCTAD, the USSR was carefully studying the ideas put forward for the restructuring of the world economy. In a matter of principle, the Soviet Union was prepared to join the developing countries in their efforts to transform economic and external trade structures, in the interest of all countries and of the long-term international division of labour, including measures to promote competitive exports of developing countries. The restructuring of the world economy would be possible only in a climate of mutual trust and détente and as a result of disarmament, which would make it possible to release resources for peaceful purposes.

31. The Soviet Government's position on proposals concerning a review of the rules and principles governing international economic relations was based on its efforts to ensure the elimination of inequality, discrimination and exploitation in world trade and economic relations. The review must therefore be carried out in the general context of the normalization of international trade, taking into account the interests of the socialist countries.

32. A number of aspects of the possible contribution of UNCTAD to a new international development strategy still remained unclear. Although the report by the UNCTAD secretariat (TD/B/756) had arrived too late for his delegation to express its opinion, it appeared at first glance that some aspects of the question were presented in a perspective broader than that required of an international body with a clearly defined field of activity. It was essential that, in preparing its contribution, UNCTAD should remain strictly within the limits of its field of competence, in particular with regard to the conceptual framework for the future strategy.

33. The Soviet Union would participate in the formulation of the new strategy for the 1980s, including the work in UNCTAD. It considered that the future strategy would be truly beneficial only if it reaffirmed and strengthened the progressive elements of decisions already taken by the United Nations, particularly the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States. The work on the formulation of a new international development strategy should be carried out within the framework of existing UNCTAD bodies, on a universal basis and with due account being taken of the interests and views of the main groups of countries. The proposed global consultations should also be conducted within the framework of the existing UNCTAD machinery, particularly since the Board would henceforth meet twice a year. Those consultations should, of course, deal with problems which came directly within the competence of UNCTAD and should not jeopardize its regular activities.

34. The Soviet Union devoted constant attention to improving the functioning of the socialist economic system. The new measures recently adopted by the Soviet Government to that end would directly promote the further development of the Soviet Union's foreign trade. Growing co-operation with the developing countries and the developed capitalist countries would enable the Soviet Union to make a real contribution to the transformation of international economic relations, based on the principles of justice and equality of rights, as well as to the restructuring of the world economy and to the establishment of an international development strategy for the 1980s.

IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS (agenda item 10) (A/32/302/Add.1)

35. Mr. PENOV (Chief, External Relations Unit), introducing the item, said that the report of the Secretary-General to the United Nations to the thirty-second session of the General Assembly contained an account of UNCTAD's contribution to the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (A/32/302 and Add.1 and 2). The Economic and Social Council had already considered the report and had reaffirmed the responsibility of the specialized agencies and other organizations within the United Nations system for taking all effective measures, within their respective spheres of competence, to ensure the full and speedy implementation of the Declaration and other relevant resolutions, particularly by the provision of moral and material assistance, on a priority basis, to the peoples of the colonial territories and their national liberation movements.

36. UNCTAD was the executing agency for a project for an economic and social survey of Zimbabwe with a view to preparing the ground for a decisive passage of Zimbabwe from colonialism to self-sustained economic and social development which the Patriotic Front of Zimbabwe had requested from the United Nations Development Programme. It was worth noting that the project, along with United Nations efforts for Namibia, offered an unique opportunity for the United Nations system to make a useful contribution to the analysis of the types of problems and issues that were likely to arise at the moment of independence and some of the possible solutions that could be applied.

37. With regard to Namibia, in April 1977 a mission of the United Nations Council for Namibia had held consultations with the Secretary-General of UNCTAD and other senior UNCTAD officials. In July 1977, the International Adviser of the Special Programme for Least Developed, Landlocked and Island Developing Countries of UNCTAD had prepared a note on the commercial policy and planning of the foreign sector in Namibia. An UNCTAD consultant had prepared a study on the external economic sector, with particular reference to the diamond industry, which was related to Decree No. 1 for the protection of the natural resources of Namibia enacted by the United Nations Council for Namibia on 27 September 1974. A consultant was currently preparing a study on the pattern and volume of shipping traffic. UNCTAD had participated in the

first planning workshop of the Nationhood Programme for Namibia, held at Lusaka in May 1978. It had also assisted the United Nations Commissioner for Namibia in appraising and further preparing the projects recommended by OAPEC as priorities for the Nationhood Programme for Namibia.

36. In accordance with General Assembly resolution 3280 (XXIX), notifications of the sessions of the Conference, the Trade and Development Board and conferences held under the auspices of UNCTAD were sent (as forwarded by the UNDP Office at Geneva) to the national liberation movements through the Executive Secretary of the OAU Co-ordinating Committee for the Liberation of Africa. In conformity with a directive from the Legal Counsel of the United Nations Office of Legal Affairs, invitations to national liberation movements were issued after confirmation by the Office of Legal Affairs of the list of national liberation movements recognized by OAU at any given time.

37. Lastly, the Secretary-General of UNCTAD was in consultation with the Organization of African Unity concerning further proposals relevant to the matter under discussion.

38. Mr. ALUKO (Ethiopia) asked whether UNCTAD's assistance to the national liberation movements was limited to studies and seminars. He enquired whether the other proposals which were the subject of consultation between the Secretary-General of UNCTAD and OAU also concerned solely such studies and seminars.

39. Mr. [illegible] (Chief, External Relations Unit) said that the consultations between the Secretary-General of UNCTAD and OAU were carried out in the framework of UNCTAD's terms of reference and competence. Any proposals resulting from the consultations would, of course, be brought to the attention of the Board.

40. Mr. [illegible] (Nigeria) asked on what grounds it was expected that those proposals would be rejected. Since the report of the Secretary-General of the United Nations to the thirty-fourth session of the General Assembly (A/34/470 and Add. 1 and 2) was not readily available at Geneva, it would have been useful if a document summarizing UNCTAD's contribution to the report could have been distributed to the Board.

41. Mr. [illegible] (Deputy Secretary-General of UNCTAD) said that the purpose of the informal consultations which had taken place between the Secretary-General of UNCTAD and senior officials of OAU had been to ascertain which of the projects asked for by the national liberation movements [illegible] could, practically speaking, and that was necessarily a slow process. The consultations had not yet reached the stage at which specific proposals could be submitted to the Board at its current session.

42. In the case of the national liberation movements, as in that of governments, projects could obviously not be imposed on United Nations organs; dialogue was essential and it was above all the national liberation movements which should take the initiative. UNCTAD's will to help essentially was plain.

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United Nations Conference on Trade and Development

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Any corrections to the records of the meetings of this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.79-54756

The meeting was called to order at 10.25 a.m.

PROCEDURAL MATTERS (agenda item 3) (continued)

(a) ELECTION OF OFFICERS (continued)

Mr. BELLAMYES (Philippines) said that he had been instructed by the Asian Group to inform the Board that the representative of Burma, who had been elected as a Vice-President representing the Asian Group, was unfortunately unable to attend the current session. On behalf of the Asian group, he proposed that Mr. Seow (Singapore) should be elected as replacement.

The PRESIDENT, having expressed the regret that the Vice-President from Burma had been unable to take up his functions, said he assumed that the Board agreed to the replacement by Mr. Seow (Singapore) as Vice-President of the Board for the Asian region.

It was so agreed.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 11):

(b) ANNOUNCEMENT OF ANY CHANGES IN THE MEMBERSHIP OF THE BOARD AND ELECTION TO MEMBERSHIP OF MAIN COMMITTEES

The PRESIDENT invited the Board to proceed with the election of additional members who wished to participate in the work of the main committees of the Board, in accordance with the practice for elections to main Committees described in Conference resolution 30(III), part C, paragraph 3. The lists of members of the main Committees which had been confirmed by the Board at its eighteenth session were contained in document A/33/15, annex XI and the additional State members of the Conference elected to the main Committees at the present session would be added thereto.

The following additional countries had communicated to the Secretary-General of UNCTAD their wishes to participate as members in the next session of the main committee against which their names had been listed: Committee on Manufactures - Sudan; Committee on Invisibles and Financing related to Trade - Sudan; Committee on Shipping - Portugal; Committee on Transfer of Technology - Viet Nam; and Committee on Economic Co-operation among Developing Countries - Viet Nam.

Since no other State member of UNCTAD which was not a member of one or more main committee had communicated its intention of attending the next regular session of any committee, and no State member which was a member of one or more main committees had communicated its intention of withdrawing from any main committee, he suggested that the Board should confirm the membership of the main committees as indicated in document A/33/15, annex XI with the additional names of the member States that he had just read out.

With those additions, the total membership of the main committees would be: Committee on Commodities - 95, Committee on Manufactures - 90, Committee on Invisibles and Financing related to Trade - 95, Committee on Shipping - 91, Committee on Transfer of Technology - 87 and Committee on Economic Co-operation among Developing Countries - 96.

It was so decided.

(f) DOCUMENTATION PROBLEMS AND THEIR EFFECT ON THE WORK PROGRAMME OF UNCTAD (TD/B/L.520-TD/B/(XIX)/CRP.1)

The PRESIDENT said that the matter had been considered by the Board at its eighteenth session and its tenth special session and that it had also been considered at the fifth session of the Conference. He drew attention to a draft proposal submitted by the representative of the Philippines in document TD/B/L.520. The Board might also wish to bear in mind the relevant provisions of section II of General Assembly resolution 33/56 on control and limitation of documentation and paragraph 10 of Conference resolution 122(V) referring to the question of documentation.

He understood that consultations were proceeding on the matter and suggested that it might be more fruitful to take it up again at a later stage in the session.

It was so decided.

Mr. SOLIVATTE (Philippines) confirmed that consultations were in progress on the draft resolution which he had submitted to the Board at its eighteenth session.

(g) MATTER OF THE REQUIREMENT FOR SUMMARY RECORDS OF MEETINGS OF THE BOARD

The PRESIDENT reminded the Board that the General Assembly, in paragraph 4 of resolution 33/56, had urged the Secretariat to play a more active role in advising bodies on issues of limiting records and documentation, with particular reference to General Assembly resolutions 2292(XXII) and 2538(XXIV). The UNCTAD secretariat had successfully solved the issue of whether the Trade and Development Board would want to reconsider its previous decision to retain summary records of its proceedings in plenary. He had taken the liberty of bringing the matter also to the attention of the Bureau of the Board at its meeting that morning.

Mr. SOLIVATTE (Philippines) speaking on behalf of his own delegation, said that the matter had not been discussed again in the Main Group. He felt, however, that, while summary records had been dispensed with in the case of the main committees, it would be useful if they could be retained in the case of the Board, which intermediated the Conference with the latter was not in session. Many members did not attend committee meetings and it was only through the Board that they were able to keep in touch with what had been happening. He felt, therefore, that it would be in the interests of members, particularly those from developing areas such as his own country, to retain summary records for the Board.

The PRESIDENT suggested that the matter should be left open until a subsequent meeting.

It was so decided.

OTHER BUSINESS (agenda item 12)

SPECIAL PROGRAMME ON TRADE FACILITATION (TD/B/751)

The PRESIDENT drew attention to the report in document TD/B/751 on the Special Programme on Trade Facilitation (PALPRO) containing background information, including an account of the technical co-operation activities in the field of trade facilitation which were managed and supported by PALPRO.

Mr. ROSE (Chief, Special Programme on Trade Facilitation), introducing the report, said that it was the first time that the work of the Special Programme on Trade Facilitation (PALPRO) had been brought before any of the governing UNCTAD organs, although PALPRO had been established [illegible] years. The activity had developed gradually over the years from a single UNDP-financed adviser post to the present programme which included several services and its own secretariat. The document [illegible] at the 1977 session of the Working Party on Manufactures Plus provided the basis of information on the activities of PALPRO in Trade UNCTAD documents and a suggestion that an account of those activities should be provided to the Board [illegible] through the UNCTAD machinery.

Sections I and II of the document set out the background and history of trade facilitation work, its terms used in describing its objectives and systematic rationalization of trade procedures and documentation. It was estimated that the cost of procedures and documentation would amount to [illegible] per cent of the value of world trade, that a reduction of [illegible] per cent would represent very substantial savings.

Sections III and IV described PALPRO's terms of reference, its relevance to the medium-term plan and its functions within UNCTAD. It was a central function in UNCTAD and one of its three major activities.

The second major activity, which was dealt with in sections V and VI, concerned co-operation at the secretariat level with the Economic Commission for Europe and the other regional commissions. It was a functional consultation in the field of trade facilitation and constituted the regional commissions' mid-term programme providing a focal point through the Working Party on Facilitation of International Trade Procedures. The present arrangements made it possible to use the combined Secretariat expertise and support services rather than build up technical functions at each level.

Section VII contained a list of all the inter-governmental organizations with which PALPRO co-operated. Section VIII gave a detailed account of PALPRO's third major function: technical co-operation with the developing countries. In accordance with UNCTAD's role as an executing agency, PALPRO was providing [illegible] and advisory services for a number of activities financed from UNDP and other sources.

Section IX, conclusions and suggestions, summed up the background, with particular reference to the legal mandate of UNCTAD. It also drew attention to the desirability of explicitly confirming FALPRO's facilitative authority since that would be helpful when seeking support for technical co-operation. It also drew attention also underlined the desirability of providing opportunities for all member States to participate in the facilitation work. In view of ECE's central function in that work and to prevent duplication, it was felt that the most suitable provision to arrange that was UNCTAD/FALPRO for non-ECE countries to participate in the ICP activity.

He drew attention to the desirability to coordinate FALPRO's mandate with a view to intensifying its work within the limits of available resources and of providing opportunities for active participation by all its member countries.

Mr. PAUSIL (Union of Soviet Socialist Republics) said that the creation and use of terminal lists or by the secretariat of Group I, which might be useful part in many ECE activities. The UNCTAD secretariat had provided a very comprehensive document, but there were still certain problems to solve, particularly the right balance between the Group I countries and the secretariat. In his delegation's view the item should be left open pending further consultations.

Mr. JARAMILLO (Colombia) said that FALPRO should be co-operating with the national authorities of the country from a number of points of view: national committee for trade facilitation matters and to deal with both national and private bodies, to simplify customs documents, to train its staff and experts. The work was extremely useful to the developing countries and it believed that they would continue to benefit from it through technical assistance.

Mr. DUPUCH (Denmark) said that his country made full use of FALPRO, whose activities in the field of facilitation were very important for developing countries. He supported the continuation of the mandate.

Mr. SAHA (Singapore) said that the work of FALPRO was of great value to developing countries. The size of the representation of the secretariat would give an indication of the size of the staff and the amount of the annual budget.

Mr. ADAMS (U.S.A. Special Programme on Trade Facilitation) replied that the staff currently consisted of two professional officers and a secretary, who were paid from the regular budget, and an average of five advisers in the field, financed by UNDP and the Norwegian Government through the International Trade Centre. The budget depended on the number of posts.

The PRESIDENT suggested that the item should be left open until a later date.

It was so decided.

OTHER PARTICULAR MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT (agenda item 9):

(a) EXPORT PROMOTION: REPORT OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE UNCTAD/GATT ON ITS TWELFTH SESSION (TD/B/759-ITC/AG(XII)/54 and Corr.1 and 2)

The PRESIDENT invited Mr. Karim (Bangladesh), Vice-Chairman of the twelfth session of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT, to introduce the report, in the absence of Mr. Fransen (Brazil), the Chairman of the Group.

Mr. KARIM (Bangladesh) introduced the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twelfth session (TD/B/759-ITC/AG (XII)/54) and he drew attention to the main subjects of discussion as set forth in the report's Contents.

In reviewing the technical co-operation programme in 1976, the Group had called for continued efforts to secure greater participation by experts from developing countries in the Centre's technical co-operation programme. It had also recommended greater reliance on short-term consultants in ITC field projects, sufficient number of long-term experts being maintained to ensure continuity in servicing backlog of national counterpart staff. Particular attention should be devoted to the multilateral trade promotion of basic commodities and processed products, with active support for the Centre's initiatives in fostering trade and industrial co-operation among developing countries. The Group had also recommended increased ITC activities in promoting trade development between developing countries and the socialist countries of Eastern Europe, including greater use of trade promotion experts from the latter countries.

With regard to technical co-operation with the least-developed countries, the Group had called for greater co-operation by ITC with other international organizations, particularly FAO, UNIDO, UNCTAD and ILO, in accordance with resolution 141 (LV) of the Economic and Social Council, particularly in view of the need to develop production capacity in the least-developed countries as part of the general effort to foster their trade promotion and export development programmes. It had also recommended that ITC should try to develop an integrated approach, in co-operation with United Nations organizations and intergovernmental bodies, to maximize the impact of its assistance; and should increase its efforts to foster technical co-operation among developing countries in the context of trade expansion.

The Group had strongly endorsed the Centre's proposals for its first medium-term programme, 1978-1981, costing a total of $41.1 million and consisting of six programmes: assistance in strengthening national trade promotion institutions; export market development; specialized trade promotion services; multinational trade promotion; manpower development; and import restructuring. Those programmes were expected to use 75 per cent of anticipated resources during the three-year period, while the remaining 25 per cent was to be used for four new programmes designed to meet pressing trade promotion needs in the developing countries: special programme of technical co-operation with the least-developed countries; trade promotion related to rural development; follow-up activities on the multilateral trade negotiations (MTN); and technical co-operation with national trade-offices.

The Group had attached particular importance to the programme for the least developed countries and the programme on trade promotion oriented to rural development and had emphasized the obvious relationship between the two. It had also appreciated the relevance of the programme for follow-up activities on the UNCTAD and shown keen interest in the close co-operation being established between ITC, UNCTAD and GATT in planning and implementing the programme. It had expressed the view that the programme of technical co-operation with national chambers of commerce was capable of providing an effective mechanism to enable the Centre to bring its work direct to the business community and had therefore endorsed the programme together with the measures proposed by the Secretariat to translate it into detailed project proposals.

In connexion with ITC relations with United Nations organizations and other bodies, the Group had called for closer co-operation between the Centre and UNIDO in order to increase assistance to the least developed countries in establishing industries with a high ratio of value-added to transport costs. Representatives of UNDP, ESCAP, the World Bank, UNIDO, the Commission of the European Economic Community, the Commonwealth Secretariat and the International Chamber of Commerce had reviewed for the Group various aspects of the relationships between their respective organizations and ITC.

A number of delegations had made statements on extra-budgetary contributions that their Governments intended to make to ITC in 1979, subject to legislative approval. Delegations from a number of developing countries had expressed their sincere appreciation of the trust fund contributions that had made it possible to finance the Centre's programmes in their own countries and had welcomed the announcements made on further financial commitments to the Centre for 1979.

The Group had recognized the efforts made by the Secretariat of the United Nations to improve the administrative arrangements of the Centre with a view to further enhancing its work performance.

Mr. HOLEID (Norway), speaking on behalf of the Nordic countries, said that although the developing countries' exports to the OECD area had recently been growing at a steady rate, the lack of human and financial resources in the field of trade promotion remained a serious problem for those countries. Trade promotion assistance for developing countries should be regarded as a vital complement to other trade policy measures, within the context of free trade and an expanding world economy, and its importance tended to grow as trade barriers were gradually lowered. At the same time, developed countries should make efforts to pursue non-protectionist trade policies.

The twelfth session of the Joint Advisory Group had been held at a time when several relevant major international negotiations were taking place and it would therefore be an important event in the history of ITC. As a result of the recent organizational study, ITC was well equipped to assist the developing countries in the field of international trade promotion. Nevertheless, there were still financial problems to be solved. The Centre had become increasingly dependent upon voluntary contributions and its share of UNDP financing had decreased. In recent years, contributions from the Nordic countries had financed approximately two-thirds of total ITC operational activities. Unless the effort was shared more equitably through increased contributions from a larger number of donor countries, it would not be possible to meet many of the requests for ITC assistance.

In addition, long-term commitments by donor countries would facilitate ITC's efforts to assist trade promotion in the developing countries.

With reference to the decision to include marketing in the measures to be financed by the Second Window of the Common Fund, he said that ITC should co-operate closely with the Common Fund in the market promotion of commodities.

Mrs. GARCIA GARCIA (Cuba) said that, while many Latin American countries had benefited from ITC assistance in the field of export promotion, which was of vital importance for their economies, such assistance appeared to be decreasing. Improved financing for ITC would enable that trend to be reversed and she hoped that the question of geographical distribution would be taken into account when ITC's co-operation programmes were being drawn up.

Mrs. VOHRA (India) endorsed the report of the Joint Advisory Group and said that the extension of the programmes to new areas of trade promotion represented a considerable advance. She expressed her appreciation of the excellent assistance received from ITC and thanked the donor countries for having made it possible. Her country had made voluntary contributions to the ITC trust fund over the last two years. She hoped that it would be possible to establish horizontal links among the various country programmes in order to promote economic co-operation among developing countries.

Mr. EL-GOHARI (Egypt) endorsed the report and expressed his appreciation of the services the Centre had rendered his country in export promotion.

The PRESIDENT suggested that the Board should take a note of the Report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twelfth session and of the comments made thereon.

It was so decided.

(b) PROGRESSIVE DEVELOPMENT OF THE LAW OF INTERNATIONAL TRADE: TWELFTH ANNUAL REPORT OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW

The PRESIDENT suggested that discussion of the report should be deferred until a subsequent meeting of the Board.

It was so decided.

The meeting rose at 1.10 p.m.